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Urgent — 6:00 AM. Iron — 115 Dm. Czech — 0.900 Dkr.
London — 25 Dm. Israel — 1.32 Dm. Portugal — 1.25 Esc.
Barbados — 0.700 Dm. Italy — 1.000 Lira. Czech — 0.90 Dkr.
Belgium — 50 Dfr. Jordan — 450 Fr. Fr. Dr. of Ireland — 70 F.
Canada — 1.25 Dm. Kuwait — 1.00 Dm. Saudi Arabia — 2.00 R.
Cyrus — 0.50 Dm. Kuwait — 1.00 Fr. Spain — 1.25 Pes.
Denmark — 1.00 Dk. Lebanon — 1.00 Dm. Sweden — 4.00 Skr.
Egypt — 5.20000. Luxembourg — 50 Lfr. Switzerland — 2.00 SFr.
Finland — 8.00 Fim. Morocco — 1.25 Esc. Turkey — 1.20 Dm.
France — 7.00 F. Mexico — 35 Cent. Turkey — 1.20 Dm.
Germany — 2.70 Dm. Morocco — 8.00 Dm. UAE — 1.20 Dm.
Great Britain — 0.55 Netherlands — 3.00 R. U.S. M. Eur. — 30.85
Greece — 110 Dr. Norway — 3.00 Nkr. Yugoslavia — 20.00

ESTABLISHED 1887

North's Secretary Destroyed Files, Is Given Immunity

By Philip Shonan
New York Times Service

WASHINGTON — The personal secretary to Lieutenant Colonel Oliver L. North has been granted immunity by a special prosecutor and has acknowledged that she destroyed internal National Security Council documents in the hours before the Justice Department planned to review the colonel's files, her lawyer said.

The secretary, Fawn Hall, spent

U.S. investigators are puzzled by a large cache of machine-made arms in Honduras. Page 6.

nearly an hour destroying the documents in what she believed was a "routine shredding" of classified National Security Council material, the lawyer, Plato Cacheris said Saturday.

Mr. Cacheris said in an interview that Colonel North, who has become a focus of the investigation of the Iran-contra affair, apparently did not order the shredding but was aware that Ms. Hall was destroying the documents, including computer messages, and did not stop it.

"No one particularly told her," the lawyer said. "It was done as part of a routine shredding. That's her version."

The day after the reported shredding, Justice Department investigators trying to unravel the U.S. arms sale to Iran arrived at the National Security Council offices at the White House and went through the files of Colonel North and others.

Sources said Saturday night that it was clear that the special prosecutor in the Iran-contra affair, Lawrence E. Walsh, was attempting

to build a case of obstruction of justice against Colonel North, in which the testimony of Ms. Hall could be central. Destruction of the documents was first reported in Sunday's edition of The Washington Post.

Mr. Cacheris would not comment on Mr. Walsh's intentions. The lawyer said that Ms. Hall, who had been Colonel North's secretary for four years, had been granted immunity "within the past several weeks" after "haggling" with the special prosecutor's office.

In a related development, another source said federal investigators had been unable to find documentation of key meetings held by Vice Admiral John M. Poindexter, the former national security adviser, regarding the Iran arms sale. "There do not appear to be Poindexter's records of certain meetings, records that are quite central to the affair," the source said.

Last year, federal law-enforcement officials reported that Colonel North, Admiral Poindexter and others at the National Security Council had probably destroyed stacks of classified documents just before Justice Department investigators arrived to begin an inquiry into the sale of arms to Iran.

The investigation, on the weekend of Nov. 22-23, found evidence that millions of dollars from the weapons sale had been secretly, perhaps illegally, diverted for use by Nicaraguan rebels, known as contras. Colonel North has been identified as the White House official who oversaw the arms sale and the diversion of money.

When it was reported that docu-

See NORTH, Page 6



Shi'ite Moslem civilians cheered Syrian troops Sunday as they arrived in West Beirut.

Syrian Force Enters West Beirut

United Press International

BEIRUT — Thousands of Syrian soldiers deployed Sunday in West Beirut in a first step toward ending three years of chaos in the militarily-ruled capital.

Cheering Lebanese lined the coast highway as the troops, riding on Soviet-made tanks and armored personnel carriers, moved to the edge of the city.

Israeli reconnaissance planes flew overhead as the column moved down from the Chouf mountains to the Mediterranean coast, then down the highway to Beirut.

The deployment marked the first intervention by Syria, the main foreign power broker in Lebanon, in more than a decade.

In 1976, at the request of the Arab League, a 1,200-man Syrian peacekeeping unit was sent to Beirut in an effort to end Lebanon's civil war. The new force, estimated at 5,000 to 7,000 soldiers, was requested Friday by Lebanon's Moslem leaders and is designed to reinforce the first unit, which has been unable to stop the fighting.

"We will break bones this time," said one Syrian officer.

Brigadier Ghazi Kenaan, the head of Syrian Army intelligence, vowed that the troops would end the clashes between the rival pro-Syrian Moslem militias.

The increased Syrian presence was sought after almost a week of clashes left more than 200 people

See NEIRUT, Page 6

LATE NEWS

Police, Basques Clash in Spain

SAN SEBASTIAN, Spain (Reuters) — Hundreds of young Basques fought with the police Sunday to protest the expulsion by France of a suspected separatist. There were no injuries or arrests.

José Inaki Gallardo, the suspected separatist, was handed over to the Spanish police Saturday night.

He was the 32d alleged separatist to be expelled since July.

INSIDE TODAY

GENERAL NEWS

■ Ronald Reagan told arms negotiators to adhere to a broad interpretation of the anti-ballistic missile treaty. Page 2.

■ In Chicago, a divisive Democratic primary matches the violence of the storms on Lake Michigan. Page 3.

BUSINESS/FINANCE

■ Gulf oil states met to consider how to prop up prices. Page 7.

French Police Capture 4 Top Terror Suspects

By Julian Nundy
International Herald Tribune

PARIS — Four leaders of the French guerrilla group Direct Action were arrested over the weekend, the Interior Ministry said Sunday.

The four arrests, made Saturday at a remote farm near the Loire Valley city of Orleans, gave the government's anti-terrorism campaign a spectacular boost after a year in which France had experienced some of its worst terrorism attacks.

The arrests came just before the trial in Paris of Georges Ibrahim Abdallah, an alleged Lebanese guerrilla leader, for the murders of a U.S. military attaché and an Israeli diplomat. The trial is due to start Monday.

Police said that those arrested in the farm near the village of Vitréaux-Loges included France's two most wanted guerrillas, Jean-Marc Rouillon, 34, and Nathalie Menigon, 29, described as "historic leaders" and founders of the extreme leftist Direct Action. Their arrest ended a four-and-a-half year search.

The others were Joëlle Aubron, 27, and Georges Cipriani, 35.

Miss Menigon and Miss Aubron were both sought for the murder Nov. 17 of Georges Besse, the chairman of the state-owned Renault automobile company, and photographs of them had been posted throughout France. Mr. Besse was shot outside his home in Paris.

The police said that about 50 officers of the elite RAID commando group captured the four without a shot at about 9 P.M. Saturday. RAID stands for research, assistance, intervention, discussion.

The four were driven early Sunday to Versailles, just west of Paris, for questioning in connection with the January 1985 murder of General René Andrian, the Defense Minister.

The police said that they also found lists of attacks that were apparently being prepared for the See ARRESTS, Page 6



A medic aided victim of Sunday's explosion in Jerusalem.

Jerusalem Blast Wounds 12 Policemen, 5 Others

Reuters

JERUSALEM — Seventeen persons, including 12 Israeli policemen, were wounded Sunday in an explosion apparently caused by Arab guerrillas outside the Damascus Gate of Jerusalem's Old City, police said.

The explosive device, either a bomb or a hand grenade, went off during the change of shifts between two patrols of border policemen.

The Palestine Liberation Organization claimed responsibility for the explosion.

The explosion, The Associated Press reported Sunday from Tunis. A PLO spokesman said the attack was carried out by a group called the Ali Abu Taaq unit.

In Jerusalem, Police Chief David Drauz said, "At this time it's not clear to us yet if we're talking about a hand-grenade explosion or a bomb blast." Most of the casualties appeared to have been slightly wounded by shrapnel.

Security forces took 70 Arabs into custody for questioning.

The Jerusalem police commander, Yossi Yehuda, said the blast could be linked to either of two anniversaries — the 18th anniversary of the founding of the Democratic Front for the Liberation of Palestine or the date the al-Aqsa Mosque was set ablaze by an Australian.

The Australian, Michael D. Roman, a non-Jewish volunteer at an Israeli collective settlement, touched off three days of rioting in East Jerusalem in 1969 when he set fire to the minaret of the mosque on the biblical Temple Mount.

The Old City, which is home to both Arabs and Jews, was captured from Jordan in the 1967 Arab-Israeli war and has increasingly been a center of violence in recent months. Damascus Gate is the main entrance to the Old City's Moslem Quarter.

Mayor Teddy Kollek said he believed the explosion was a result of tension between Israel and the 900,000 Palestinians living in the occupied West Bank, which was also captured from Jordan in 1967.

"You cannot have tension in the West Bank without a spillover into Jerusalem," Mr. Kollek said.

The audience, for the most part, sat impassively, even as Mr. Arad described in detail the two hours between the arrival of Jewish prisoners at the Treblinka train station and the moment when the gas chamber doors would be flung throughout the war.

See TRIAL, Page 6

In Israel, a Sense of Unity at a War-Crimes Trial

Many Hope Demjanjuk Case Will Provide Focus for a Bitterly Divided Nation

By Glenn Frankel
Washington Post Service

JERUSALEM — The little boy's forming around 8 o'clock each morning and it is a bit longer every day. It is a mixed group — teachers and students, retirees and adolescents, black-garbed yeshiva students and gum-chewing teen-agers in blue jeans — united by curiosity, and a sense of Jewish identity.

They wait to enter a former movie hall that has been converted into a courtroom. Inside, a retired auto mechanic from Cleveland stands accused of torturing and executing thousands of Jews at the Treblinka death camp in central Poland during World War II.

At first, it appeared that most Israelis cared little about the trial of John Demjanjuk, which opened Feb. 16.

The Holocaust, in which six mil-

lion Jews died and which helped lead to the creation of Israel, was long ago burned into the national psyche; many felt they needed no reminders. By Tuesday there were plenty of empty seats in the visitors gallery, which holds 300.

Chain Guri, a poet said that "Israel is very different" from the early 1960s, when the war crimes trial and hanging of Adolf Eichmann electrified the nation. Speaking on radio, he added that "Israel looks tired, exhausted, preoccupied with itself."

But awareness and curiosity about Mr. Demjanjuk and his trial have seeped into the populace. Media coverage has been heavy, with daily radio broadcasts. They then gave the property to a Polish farmer under instructions to claim it had worked the property throughout the war.

See TRIAL, Page 6

Monetary Pact Seeks To Keep Present Rates

6 Key Nations Reach Accord On Currencies

By Ferdinand Proesman
International Herald Tribune

PARIS — Finance ministers and central bankers of six leading industrialized nations agreed Sunday to stabilize currency exchange rates around their current levels and to pursue policies to reduce trade imbalances while promoting non-inflationary economic growth.

The group agreed to a vague package of coordinated economic policies. Japan and West Germany agreed to stimulate their economies, and the United States pledged to reduce its budget deficit and to "introduce a wide range of policies to improve its competitiveness and to enhance the strength and flexibility of its economy."

The "reduction of large, unsustainable trade imbalances is a matter of high priority," said a communiqué released after the meeting. It added that "more balanced global growth" should have a central role in this respect.

The meeting of the United States, Japan, West Germany, Britain, Canada and France came against the backdrop of a global economy increasingly strained by the sharp decline of the dollar, rising protectionist sentiment in the United States and Europe, and slowing economic growth that has raised fears of recession.

It was to have been a meeting of the so-called Group of Seven industrialized nations. But the Italian contingent boycotted the session to protest a supposedly informal gathering Saturday of the Group of Five nations — the Group of Seven minus Canada and Italy — which Treasury Minister Giovanni Goria called "a substantial violation of the Tokyo agreement to meet only as seven."

The six nations agreed that further substantial declines in the exchange rate of the dollar could damage economic growth prospects. But they concluded that currency swings in recent months would contribute to a sustainable pattern of current account balances.

The United States pledged in the communiqué released after the meeting to "pursue policies with a view to reducing the fiscal 1988 deficit to 2.3 percent of gross national product, from its estimated level of 3.9 percent in fiscal 1987."

"For this purpose," it added, "the growth in government expenditures will be held to less than 1 percent in fiscal 1988 as part of the continuing program to reduce the share of government in GNP from its current level of 23 percent."

Japan said it would "follow monetary and fiscal policies which will help to expand domestic demand and thereby contribute to reducing the external surplus. The comprehensive tax reform, now before the Diet, will give additional stimulus to the vitality of the Japanese economy."

And West Germany said it would "reduce the tax burden for individuals and corporations with a comprehensive tax reform aimed at reinforcing the incentives for private sector activity and investment."

The Bonn government will also propose to increase the size of tax reductions already enacted for 1988.

"When Tokyo opens up tomorrow morning, the dollar is going to the bucket," said a Chicago-based dealer who asked not to be identified. "There was nothing solid in the meeting."

The Group of Seven last met at the Tokyo economic summit meeting on May 6, 1986.

Sunday's communiqué did not say how the countries would try to stabilize currency trading. But after the meeting, officials hinted that

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Treasury Secretary James A. Baker 3d talks with Japan's finance minister, Kiichi Miyazawa, after the Paris meeting.

A Message to the Markets

Finance Officials' Accord Signals Intention to Stop Dollar's Free Fall

By Carl Gershwin
International Herald Tribune

PARIS — The weekend meeting here of finance ministers and central bank governors from six leading industrialized nations produced no surprises but gave financial markets an important message:

The dollar will not be allowed to continue its free fall.

Additionally, economic policies

NEWS ANALYSIS

in West Germany and Japan will be more oriented to spurring domestic expansion and the still elusive goal of economic policy coordination is making some progress.

"It's a useful statement in policy coordination," said Rimmer de Vries, chief economist at Morgan Guaranty Trust Co. in New York, in a telephone interview. "It sets the framework for the direction we ought to be going in."

There were no major breakthroughs, however. And considerable doubts persist about the Reagan administration's ability to deliver on its promise to reduce the dollar's free fall.

And Finance Minister Gerhard Stoltenberg of West Germany succeeded in deflecting pressure for applying

U.S. Team Is Told Not to Discuss Strict Limits for ABM Treaty

By Michael R. Gordon
New York Times Service

WASHINGTON — President Ronald Reagan has instructed American arms officials in Geneva not to negotiate or even discuss limits on defensive systems that would be more restrictive than the administration's new interpretation of the anti-ballistic missile treaty, according to administration officials.

They said Saturday that the order, in a National Security Decision Directive, sets an early deadline for completing consultations about the 1972 treaty with the allies and Congress.

U.S. officials are scheduled to leave this week for consultations with European and Asian nations, and "talking points" have been drawn up that outline the adminis-

tration's case for formally adopting its new interpretation of the treaty. The officials are to report back to the president by March 2.

The issue of how to interpret the ABM treaty has emerged as the central arms control issue.

The administration has said its new interpretation is legally valid, and it is considering whether to adopt the position formally. The new interpretation would allow the development and testing of some types of Strategic Defense Initiative systems that are not permitted by the traditional view.

The SDI program, first outlined by President Reagan in March 1983, seeks to develop a mainly space-based system to defend against missiles.

The Soviet Union has taken a restrictive view of the ABM treaty,

one that would prevent much of the testing of a space-based system.

[Gennadi I. Gerasimov, a spokesman for the Soviet Foreign Ministry, warned that the Reagan administration's so-called broad interpretation "kills the treaty."

[Speaking by satellite from Moscow, Mr. Gerasimov said on U.S. television that the U.S. effort "is no interpretation at all. It's just an attempt to eat the cake and to have it." He added, "Actually, this broad interpretation kills the treaty."

[Asked what the result would be if the administration insisted on the broad interpretation permitting "star wars" research in space, the Soviet spokesman said it would result in "another round of the nuclear arms race." He said, "It doesn't add any security to our security or to your security."]

The classified directive orders the Pentagon to submit a list by the end of April of proposed SDI tests that would be carried out under the administration's view of the treaty, but that would not be allowed under the traditional interpretation.

It also orders the State Department to complete its final analyses of legal issues involved in adopting the broad view by the end of April.

Most of the former American officials who negotiated the treaty say the administration's interpretation is not valid.

On Saturday, some officials said the president's instructions could be a delaying action. But the dominant view in the administration appears to be that it is another step toward formally adopting the new interpretation of the ABM treaty.

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The new presidential instruc-

tions, however, make clear that the United States is not to compromise on this question.

One administration official said Saturday that there was an "incredible trend" within the administration to end new trials for such offenses committed under military rule.

The officers are charged with murder, torture and other crimes during the eight-year military regime that ended in 1983. Courts around the country have also ordered trials for about 50 police officers and soldiers for rights abuses, local news agencies reported Sunday.

President Raúl Alfonsín proposed the deadline on prosecution in December as a way of lifting the "uncending suspicion" hanging over the armed forces. It has met strident opposition from human rights groups and leftist political parties, which staged a protest march by 10,000 people in Buenos Aires on Friday. They say that despite the flurry of trials, the deadline will leave hundreds and perhaps thousands of guilty military officers free from prosecution.

WORLD BRIEFS

Argentina Orders New Rights Trials

BUENOS AIRES (Reuters) — Argentine courts have ordered trials for at least 100 military officers accused of human rights abuses, marking a midnight deadline to end new trials for such offenses committed under military rule.

The officers are charged with murder, torture and other crimes during the eight-year military regime that ended in 1983. Courts around the country have also ordered trials for about 50 police officers and soldiers for rights abuses, local news agencies reported Sunday.

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Sakharov Demands Activist's Release

MOSCOW (UPI) — Andrei D. Sakharov demanded Sunday the release of a well-known Soviet human rights activist and warned that the Soviet leader, Mikhail S. Gorbachev, would not be taken seriously if dissidents remained in prison.

Mr. Sakharov, who was freed in December after seven years of internal exile, said that Genrikh Almian, 53, had been refused a pardon because he would not guarantee to not resume his former activities.

"Almian was one of the first people to tell the world about violations of human rights, from a moral point of view," Mr. Sakharov said. "This is everyone's affair." Mr. Almian was jailed for three years in 1969 for his work as a human rights activist. He was arrested again in 1986 and sentenced to seven years in a labor camp and five years of internal exile.

Maputo Reports Major Rebel Attack

MAPUTO, Mozambique (Reuters) — Rebels killed about 50 people in a guerrilla attack on the main tea-producing center in northern Mozambique, the Mozambique news agency reported Sunday.

The rebels destroyed much of the equipment at five factories that had recently been rehabilitated at a cost of about \$30 million, the agency said. The attack at Mocimboa, in Zambezia Province, about 100 miles (160 kilometers) east of the Malawi border, began on Feb. 12.

The agency said that the army had regained control of the area because some of the factories were still burning on Friday.

Israel Offer to Raid Reactor Reported

TEL AVIV (AP) — Israel went to India three times to propose a joint attack on Pakistan's nuclear weapons reactor but was turned down each time, according to a report in the Jerusalem Post.

The front-page report by the newspaper's London correspondent, David Horowitz, quoted unidentified "top-level political analysts" in London. The report said that the proposals were made in recent years but did not elaborate.

The Indian Air Force is not capable of bombing the reactor at Kalsad outside Islamabad, Pakistan, with sufficient accuracy to ensure its destruction, but the Israeli Air Force could do the job, the analysts were quoted as saying. The report said that Israel was provided with detailed satellite photographs and other top-secret U.S. intelligence concerning the plan by Jonathan Jay Pollard, the U.S. civilian naval intelligence analyst convicted of spying for Israel.

Transkei Detains an AFP Reporter

JOHANNESBURG (AFP) — Security police in the nominally independent tribal homeland of Transkei have detained a South African journalist working for Agence France-Presse, a spokesman for the Transkei police said Sunday.

The spokesman would only say that the reporter, Graham Brown, 39, had been detained by the security police on Saturday. He refused to elaborate, referring questions to the security branch, which could not be reached for comment.

Mr. Brown was in Transkei covering the aftermath of an attempted coup Thursday in Ciskei, one of four homelands along with Transkei that have been designated independent by South Africa but that are not recognized by any other government. Ciskei accused Transkei officials of backing the coup attempt.

Israel Shuts 2 Palestinian Universities

JERUSALEM (Reuters) — Israeli authorities closed two Palestinian universities Sunday in the occupied West Bank and Gaza Strip after anti-Israel protests in which Palestinians said seven students were injured and 131 arrested.

The army denied there were arrests or injuries. It said it had closed Islamic University in Hebron until March 15 because of demonstration last week and had closed Gaza University for 10 days after demonstrations Saturday.

A witness from a nearby United Nations office said the protests at Gaza University, where 4,500 Palestinians are enrolled, began after Israeli troops arrested a number of students and had them line up with their hands on their heads. Other students set fires ablaze and shouted slogans. Israeli soldiers used water cannon to disperse the demonstrators.

For the Record

More than 80 percent of Ethiopia's electorate voted "yes" in a national referendum Feb. 1 on a constitution transforming the country into a people's democratic republic, Lieutenant Colonel Mengistu Haile Mariam, the head of state, announced Saturday.

The Pakistani foreign minister, Sadiqullah Yaqub Khan, arrived Sunday in Moscow for talks three days before negotiations on ending the war in Afghanistan resume in Geneva, the Tass press agency reported. (UPI)

U.S. Will Expand Military Exercises In Latin America

New York Times Service

QUARRY HEIGHTS, Panama — The commander of U.S. forces in Latin America, General John R. Galvin, says he plans to expand the U.S. military presence in his region next year.

He also said the 20,000 Nicaraguan rebels could win ultimately if they received sustained support.

"Our problem in this is our American impatience and lack of understanding of what an insurgency is in its essence," he said.

General Galvin said the military presence in his area of responsibility, which includes 17 Latin American nations, would be expanded by conducting maneuvers in twice as many nations as in recent years.

"We would be doing them with practically every country in Latin America," he said Friday.

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In Chic

By Andrew C. Kline

CHICAGO — The Chicago police have ordered trials for at least 100 military officers accused of human rights abuses, marking a mid-night deadline to end new trials for such offenses committed under military rule.

The officers are charged with murder, torture and other crimes during the eight-year military regime that ended in 1983. Courts around the country have also ordered trials for about 50 police officers and soldiers for rights abuses, local news agencies reported Sunday.

President Raúl Alfonsín proposed the deadline on prosecution in December as a way of lifting the "uncending suspicion" hanging over the armed forces. It has met strident opposition from human rights groups and leftist political parties, which staged a protest march by 10,000 people in Buenos Aires on Friday. They say that despite the flurry of trials, the deadline will leave hundreds and perhaps thousands of guilty military officers free from prosecution.

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In Chicago, a Divisive Democratic Primary Matches the Storms on Lake Michigan

By Andrew H. Malcolm
New York Times Service

CHICAGO — The mountainous waves of a brimming Lake Michigan that pounded this city's lakefront in recent weeks could serve as an apt symbol of Chicago's political season.

For while the wind-driven water washed over the beaches, backyards and a few streets, politicians swept back and forth across the crucial wards lining the same lakefront. The challengers for mayor denounced municipal inaction that they said permitted the lake to overflow in an affluent area. The mayor took credit for reopening the area's flooded roadways.

But all the braving of crashing waves for the television cameras underscored an unstated theme: Chicago's affluent, liberal lakefront residential areas, once largely scorned by machine politicians as powerless and effete, have become the crucial battleground in the

Democratic primary election for mayor on Tuesday.

The bitter battle pits Harold Washington, Chicago's first black mayor, against former Mayor Jane M. Byrne, Chicago's first woman to become mayor, in what has become one of the most confused political scenes in recent memory here.

For nearly 50 years, victory in Chicago's winter Democratic primary was tantamount to victory in the ensuing April general election because of the strength of the old political machine. But this time the survivor of the multimillion-dollar primary struggle will win only the right to spend the next six weeks in another campaign against an array of candidates, most of them Democrats in third-party clothing.

The contestants in the April 7 general election also include Thomas C. Hynes, the Cook County assessor, a Democrat running under the Chicago First Party banner; Edward R. Vrdolyak, who remains



Mayor Harold Washington of Chicago: in bitter battle. He is courting on rallies to turn out supporters.



Former Mayor Jane M. Byrne: a bet on lakefront vote. Polls show large numbers there undecided.

Cook County Democratic chairman although he is running on the Illinois Solidarity Party ticket; and probably Donald H. Haider, a for-

mer Democrat who is favored to defeat several political unknowns Tuesday to win the Republican mayoral nomination.

Sheila Jones, who is a supporter of Lyndon H. LaRouche Jr., the presidential candidate and conspiracy theorist, is also a can-

didate in the Democratic primary. The political importance this year of Chicago's lakefront areas lies in the fractured world of Chicago's political fiefdoms.

Most of the city's wards are part of some fiefdom whose political prince can more or less deliver its Democratic votes according to the ally of the moment. But the lakefront, with its well-deserved reputation for unpredictable independence, offers the most opportunity for gains.

This political independence is especially strong in primary elections when, according to Illinois law, voters can declare their party affiliation anew every election day, making it easy for Republicans or independents to cross over.

Mrs. Byrne says her private polls have shown an unusually large number of undecided voters, some as high as 20 percent, on the lakefront.

This could be revealing of another phenomenon in Chicago, a city long run tightly by a political machine that had many ways to make opponents pay for their opposition. In the past, many Chicago voters have been reluctant to reveal their true political inclination to anyone.

Mr. Washington, who is trying to become the first incumbent mayor to win reelection here since Richard J. Daley's death 11 years ago, is concentrating on larger political

rallies in the campaign's waning days, seeking to stoke his workers' enthusiasm and assure a massive turnout of his virtually monolithic support in the city's black community.

Most published polls show him winning at least 96 percent of the black vote, which is now about 40 percent of the 1.5 million registered voters.

He has emphasized his reform work, drawing women and Hispanics into government, and claims a fiscal integrity, a popular point on the lakefront.

Mrs. Byrne has hit hard on rising crime rates, an issue that seems to cut across ward boundaries, and charges that Mr. Washington's term and tactics have divided this city of three million along racial lines.

Mrs. Byrne has vowed to support the winner of the Democratic primary if she loses. Mr. Washington has not.

Antibiotics in Livestock Said to Harm Humans

By Irvin Moloksny
New York Times Service

WASHINGTON — Scientists from the federal Centers for Disease Control have come up with new evidence linking antibiotics in animal feed with illness in humans.

Antibiotics are fed to most livestock in the United States to feed off disease and promote growth. But in recent years scientists have contended that strains of salmonella bacteria that are resistant to the drugs can flourish inside the animals as competing organisms are killed off.

The resistant salmonella can then cause severe intestinal ailments in people who eat contaminated meat. Treatment is difficult because the antibiotics ordinarily used in treatment are ineffective, the scientists say.

According to a draft of the study, to be published in the *New England Journal of Medicine* on March 5, the findings demonstrated "conclusively" that salmonella was spread to humans in this way. "These studies show that food animals are a major source of antimicrobial-resistant salmonella infections in humans," the report said.

The study is expected to have a significant impact in the debate over the use of antibiotics in animal feed both because it is to appear in one of the country's leading medical journals and because it will put the weight of the government's top epidemiologists behind the contention that giving antibiotics to animals can harm humans.

The report, by a research team headed by Dr. John S. Spika, has been awaited in Congress, where bills barring the routine feeding of antibiotics to animals are to be reintroduced. It is also of great interest.

est to the Food and Drug Administration, which once tried to ban such antibiotics use, and to the food and chemical industries, for which the use of antibiotics has enormous economic significance.

Antibiotics permit animals to make more efficient use of their feed, thus improving growth, and also protect livestock against the rapid spread of disease in the close quarters prevalent in modern animal raising.

Among the antibiotics most frequently used in animal feed are penicillin and tetracycline, which are also prescribed frequently for human illnesses. But these medicines are ineffective against diseases caused by resistant strains of bacteria that develop in animals fed with the drugs.

The federal study said in its conclusion that cooking, especially the light cooking of beef, does not kill all the salmonella organisms.

"The problem is complex and no one solution is apparent," the study said. "Efforts must be taken to minimize the contamination of meat and other food items by resistant salmonella."

One congressional aide said that the significance of the report was in its careful tracing of salmonella from farms to sick people, a process that ruled out the possibility that the food was contaminated in processing and transporting.

The report, for example, cites an outbreak of salmonella in May 1985 in Los Angeles, saying, "We epidemiologically and microbiologically incriminated hamburgers as the vehicle of transmission and traced the strain back to the dairy farms of origin, identifying a major, persisting reservoir for drug-resistant salmonella in California."

Japanese Are Changing Face of the Middle West

The Middle West is getting not only Japanese-owned factories, but Japanese executives to go with them. And with the executives come their families. The New York Times reports that thousands of Japanese, most of them on two-year tours, are settling in hamlets to avoid big-city crime, scattering to avoid appearing clamorous and marching in local parades or contributing to charity drives to win over the curious and the skeptical.

About 15,000 Japanese nationals are temporarily in the Middle West, nearly twice the number of a decade ago, according to the Japanese Consulate in Chicago. Many more are expected as construction begins on a Fuji-Isuzu automobile plant in Lafayette, Indiana, and as Japanese makers of automobile components set up offices near existing auto plants.

About 100 nonstop flights between Detroit and Tokyo will begin in May. A monthly Japanese newspaper, *Japan* Detroit Press, started there in April 1986.

The Japanese are aware that Vincent Chin, a Chinese-American, was beaten to death in Detroit five years ago by two laid-off auto workers who said they thought that he was Japanese. The newcomers seldom venture into the city, preferring the relative safety of small towns and suburbs.

"We're getting more and more Japanese products," said Toni Golden, a clerk at a supermarket near the new Mazda automobile plant southwest of Detroit. "We got the chopsticks, we got the rice, we got the soy sauce. I think it's very exciting."

Notes About People

Vernon E. Walters, the chief U.S. delegate at the United Nations, has his own system for establishing contact with representatives of hostile countries on neutral territory, like UN cocktail parties: "I nod to them twice. When they don't nod back, I give up."

Lieutenant General James A. Abrahamson, director of the Strategic Defense Initiative Organization, is said to be wed with one of its contractors. The Washington Post says Martin Marietta gave the name R2P2 to a new Denver installation for space tracking. The name resembles the R2D2 robot character in the film "Star Wars," which SDI does not like being compared to. A Martin Marietta spokesman, citing the fondness of engineers for abbreviation, said the formal name is "Rapid Retargeting Precision Pointing," which yields R-squared, P-squared, or R2P2.

The playwright Arthur Miller told The New York Times that "to be an actor or an actress is to be in a very vulnerable position" and that his second wife, Marilyn Monroe, "was just the most pathetic and the most known" of acting's victims. He said that when she died at 36 in 1962 of an overdose of sleeping pills, well after they were divorced, "I can't say I was absolutely surprised, but I was horrified. I knew she had been playing Russian roulette all her life. There was no way I could help her. It's a failing in me, no doubt, but it's also a failing in every other human being she ever came in contact with. That's what tragedy is and that's why it is so unacceptable."

Short Takes

The United Way, combining several charity drives, went in for shock effect last fall in Burlington, Vermont. A series of posters depicted such scenes as a battered child, a boy emerging from a house window with goods he had stolen and a pale, elderly man sitting alone in a kitchen, eating dog food. "The bad news," said David Denner, the drive's executive director, "is that we did not make our goal. The good news is that we raised 5.7 percent more than the year before." The goal was \$3 million; the drive raised \$2,885,000.

Horseback patrol is a much-prized assignment for 145 of New York City's 25,000 police officers. They take a five-to-eight-week course in horsemanship, crime prevention on horseback, crowd control and public relations. "We learn to jump, too," said Officer Thomas Dinklacker. "A garbage can could roll into the street, and you'd have to go over it." Why do the mounted police always have plenty of volunteers? For one thing, members of the unit say, they like horses. For another, as Officer Kenneth Haas said, "People like you for a change."

The Washington bureau of The New York Times reports that a disheveled man with his hand out on a street corner of the capital stared at the dime a passer-by had given him, then turned to an equally disheveled companion to remark, "Man, we got to find some new way to panhandle."

—ARTHUR HIGBEE

Nunn Bars Presidential Bid, for Now

New York Times Service

ATLANTA — Senator Sam Nunn of Georgia has decided to remove himself from the race for the Democratic presidential nomination, but he refused to rule out the possibility of changing his mind later.

"I'm going to keep my options completely open," said Mr. Nunn, a Democrat who is chairman of the Senate Armed Services Committee, in a speech Friday.

He has been under heavy pressure from centrist and conservative Democrats to seek the nomination.

He said: "I know that if I tried to take on a presidential race in the next six months and also to perform my duties in the Senate, I would wind up doing neither job well."

Swedish Party Names Leader

Reuters

STOCKHOLM — Sweden's opposition Center Party chose Olof Johansson, 49, as its new leader on Saturday.

Canada Tightens Rules On Entry of Refugees

By Kenneth Freed
Los Angeles Times Service

TORONTO — Canada has issued strict rules ending a program of automatic admission to foreigners claiming political refugee status.

Immigration Minister Benoit Bouchard, announcing the restrictions Friday at a press conference in Ottawa, said that a sudden surge of refugees, mostly from Central and South America, was threatening to overwhelm Canada's social services.

He said that "we want a positive immigration program that permits the orderly entry of immigrants, but we cannot maintain such a program if we allow abuse of our refugee program to continue."

The Canadian government has in the past lectured other countries for their restrictive immigration policies. However, partly due to its self-made image as a haven for the persecuted and as a reaction to U.S. restrictions on immigrants, Canada has experienced a large increase in the number of people

claiming refugee status on the ground that they would be endangered if forced to return home.

According to the Immigration Ministry, 6,120 people sought emergency refugee status in Canada between Jan. 1 and Feb. 15. Another 3,000 sought entry in December.

Last year, 18,282 refugees sought emergency entry. If this trend had continued, Canada would have received 48,560 refugee requests, more than the total for the entire period from 1980 to 1986.

The new rules eliminate the automatic entry of people from 18 so-called B-1 countries — those nations where, in Canada's judgment, civil strife or political or religious persecution could endanger the lives of refugees if they returned. The restrictions went into effect immediately.

The list includes El Salvador, Guatemala, Chile, Sri Lanka, most East European nations and other Communist countries.

Salvadorans recently have topped the list of refugees entering Canada, with 2,294 seeking political asylum in the first six weeks of this year. The high total has been attributed to Salvadorans' fears that they would be deported to El Salvador under new and tighter U.S. immigration laws.

Chileans were the next most numerous, with 1,010, followed by 600 Guatemalans. Other sizable refugee groups were Tunisians from Sri Lanka and Iranians.

Government officials said that Mr. Bouchard's views on the refugee problem were based on estimates that 75 percent of the claims for refugee status made last year in Canada were bogus and that the same rate was holding so far this year.

Chinese Will Launch 2d U.S. Satellite in '88

Reuters

BEIJING — China has signed a contract to launch a U.S. communications satellite, in 1988, the official Xinhua press agency reported Sunday.

The agency said China signed the contract with Pan American Pacific Satellite Corp. to put a satellite into geostationary orbit. A satellite launch for the U.S. company, Tersat Inc., is also scheduled for 1988.

Greece Protests Cyprus Remarks By Weinberger

New York Times Service

ATHENS — Greece says it has postponed a visit to Washington by its defense minister and protested a recent statement by the U.S. secretary of defense, Caspar W. Weinberger, that it viewed as supporting Turkish interests over its own in Cyprus.

Mr. Weinberger said Thursday in testimony before the House Foreign Affairs Committee that U.S. military aid to Turkey was intended for defensive purposes only but that Congress had permitted Turkey to station U.S.-supplied arms on Cyprus since 1978, when it repealed a 1974 law blocking aid to Turkey.

A statement by Prime Minister Andreas Papandreou, issued Saturday, said that Mr. Weinberger "provokes disgust among the Greek people."

A government spokesman added that Mr. Weinberger's remarks had been "interpreted by the Greek government as tantamount to approval of the Turkish invasion and occupation of Cyprus."

In Washington, a Pentagon spokeswoman said she had no comment on the postponement of the visit by the Greek defense minister, Yannis Charalambopoulos.

The visit had been scheduled for March 9.

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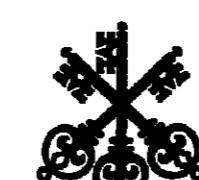
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South Korea Parties On Collision Course

Political Crisis Appears Inevitable Amid Deadlock Over Constitution

By Clyde Haberman
New York Times Service

SEOUL — Many South Koreans are losing hope that their country can avert a political crisis in its search for a new way to select its national leader.

Politicians, business executives and intellectuals express growing pessimism about a prolonged deadlock in which the ruling and opposition parties have offered rival plans for constitutional change that each side says would create a more democratic government.

"There is no way out of this dilemma," a university political science professor said. "On both sides there is a basic lack of trust."

A measure of urgency was added

NEWS ANALYSIS

Thursday when the governing Democratic Justice Party warned that, unless there were a compromise within the next two months, it would take steps to push its own proposal through the National Assembly. Such an action would almost certainly lead to protests. It might even persuade the opposition to take to the streets, setting the stage for possible violent confrontations with combat police squads.

As it is, South Korea faces an uncertain future with college students returning in a few days to politically charged campuses after a long recess.

Spring demonstrations, always a threat in a country with little official tolerance for any form of perceived instability, are expected to be more severe than normal. It will be the first opportunity for mass rallies to protest the recent death of a student during police torture.

Some analysts caution that there is still ample time for a negotiated settlement and that brinkmanship is part of the process.

Nevertheless, concern about South Korea's political impasse and its potential for crisis has prompted the United States to adopt a more aggressive approach in prodding the rival camps toward a consensus. Statements by American officials rebuking both sides for a lack of progress have been received coolly by the authoritarian government of President Chun Doo Hwan.

Last May, the U.S. secretary of state, George P. Shultz, visited Seoul and said that the Chun government was "moving impressively in the right direction."

A public retreat from that warm praise was signaled this month

when Gaston J. Sigur Jr., a U.S. assistant secretary of state for East Asian and Pacific affairs, sounded more critical notes. By implication, Mr. Sigur questioned the present government's legitimacy, and, more bluntly, he called on the military to get out of politics.

Despite Washington's concern, however, political analysts doubt that the Reagan administration can do much to bring the opposing sides together.

The issue at stake is crucial. How it is resolved will determine who governs after Mr. Chun steps down, as he has promised to do, next year. No South Korean leader has ever given up power voluntarily, and many people here still wonder if he intends to retain behind-the-scenes control.

His ruling party proposes abandoning the present system, based on indirect election of a president by a large electoral college, and replacing it with a cabinet system led by a prime minister. The opposition New Korea Democratic Party, which is fragmented over strategy, wants a president who is elected in a direct popular vote.

Each camp offers reasons why its idea is the more democratic one. At heart, though, neither side believes it can win under the other's plan.

The main opposition leaders, Kim Young Sam and Kim Dae Jung, last week urged a referendum to let voters choose which of the proposed systems they preferred, but the Democratic Justice Party said no.

But Hyun Hong Choo, a leading member of the ruling party in the National Assembly, said Friday that there would be room for flexibility if the opposition ended its boycott of negotiations on the constitutional issue. His side might even be prepared to discuss modifications in its proposal, Mr. Hyun said.

While that offered a glimmer of hope, other politicians and independent analysts remained strongly doubtful. Some also warned of trouble should the ruling party carry out its threat to adopt constitutional change on its own, with the required help of a few dozen compliant lawmakers from the opposition. That would create a perception that the government had "rammed through" its plan, they said, and would discredit the election process.

"Both sides have smacked together before on a collision course," a diplomat said. "It's hard to believe they won't do it again this time."



FIRST SNOWBALL — A resident of the United Arab Emirates holding a handful of snow after the first snowfall recorded in the country hit Abu Dhabi's al-Ain resort area.

Gandhi and Zia, in New Delhi, Voice Satisfaction Over Border Situation

By Steven R. Weisman
New York Times Service

NEW DELHI — President Mohammad Zia ul-Haq of Pakistan and Prime Minister Rajiv Gandhi of India had dinner together here this weekend and expressed satisfaction at the way that they had defused a crisis over troop buildups on their border last month.

Officials said Saturday evening that an Indian delegation would go to Pakistan this week to discuss the second phase of troop withdrawals. The first withdrawal, of a total of 150,000 troops, was completed last week.

General Zia's visit, his fourth meeting with Mr. Gandhi since the Indian leader took office in late 1984, occurred in a low-key atmosphere, reflecting the fact that the principal purpose for General Zia's trip was to attend a cricket match between the two countries. Commentators have been referring to the meetings over the weekend as "cricket diplomacy."

Mr. Gandhi greeted the Pakistani leader at the airport, but there were no ceremonies, because it was not considered a state visit. The two leaders drove to India's Presi-

dential Palace, where Mr. Zia had a one-hour meeting with the Indian president, Zail Singh.

Afterward, Mr. Gandhi and General Zia had an informal dinner with aides. The Pakistani president was to leave Sunday for Jaipur, in the Rajasthan desert, to attend the cricket match between

Kennedy Says U.S. Aid Is Misused By Liberia

By Kendall J. Wills
New York Times Service

NEW YORK — An audit by the General Accounting Office says millions of dollars of U.S. aid to Liberia have been diverted to government officials in the last six years, according to a summary of the report made public on Saturday by Senator Edward M. Kennedy, Democrat of Massachusetts.

Mr. Kennedy said he would work to cut off all U.S. economic and military assistance — about \$38 million for the 1987 fiscal year — to the government of Major General Samuel K. Doe.

Among the audit findings was that \$16.5 million of commodity assistance support had not been accounted for since 1984. It also found regular unauthorized withdrawals of funds provided by Public Law 480, a food assistance program, totaling \$1.7 million in 1986, and diversion of \$12 million in economic support funds that was earmarked for development ministries but was used to purchase ministries.

He said aid should be suspended until economic changes were made and until "free and fair" presidential elections were held in Liberia.

General Doe led a revolution of sergeants in 1980 that overthrew the elected government of President William R. Tolbert, who was killed along with 13 other government officials. General Doe was elected President in October in an election that opponents said was fraudulent. The former Liberian Army master sergeant was sworn in as president of a civilian government on Jan. 5.

"It is clear that General Doe has used his position to enrich himself and his associates at the expense of the American taxpayer," Mr. Kennedy said in a statement.

Mr. Kennedy requested the audit June after receiving reports of Liberian government corruption.

J. Emmanuel Bowier, spokesman for the Liberian Embassy in Washington, reacted sharply to Mr. Kennedy's remarks and the report, which he said he had not seen.

"I doubt whether it is a true report or that it can be proved," Mr. Bowier said. "We in Liberia are tired of these threats. The U.S. cannot dictate what our priorities should be."

Reagan Is Urged to Seek Access to Base in Zaire

By David B. Ottaway
Washington Post Service

WASHINGTON — The Defense Department is pressing the Reagan administration to negotiate a formal access agreement with Zaire so the United States can begin turning a run-down air base in the southern province of Shaba into a major U.S. facility for central and southern Africa.

Pentagon officials, outlining project details for the first time, also disclosed that the administration will make a commitment to President Mobutu Sese Seko of Zaire that it cannot fulfill because of budgetary constraints.

The State Department is said to be considerably less supportive of the project because of concern that the administration will make a commitment to President Mobutu Sese Seko of Zaire that it cannot fulfill because of budgetary constraints.

The State Department also has expressed concern that a formal access agreement would give too much a profile to close military and security ties between the United States and Zaire, according to administration sources.

Mr. Mobutu is reported to be seeking a large U.S. financial commitment to the Kamina base. His attitude about a formal access accord is not known.

The base was built by Belgium in the mid-1950s.

U.S., Britain Veto Sanctions On South Africa in UN Vote

By Eric Pace
New York Times Service

UNITED NATIONS, New York — The United States and Britain have vetoed a Security Council resolution that would have imposed mandatory sanctions on South Africa like those approved last year by the Congress over President Ronald Reagan's veto.

Ten countries voted in favor of the resolution Friday. West Germany, which is not a permanent member and lacks veto power on the council, also voted against the measure. France, a permanent member, abstained, as did Japan.

Diplomats here noted that the vote put the U.S. government in the position of vetoing a measure that strongly resembles one approved by its own national legislature.

The resolution was proposed by Argentina, Congo, Ghana, the United Arab Emirates and Zambia.

Voting for the resolution, in addition to the five sponsors, were Bulgaria, China, Italy, the Soviet Union and Venezuela.

Analysts said some advocates of the Security Council resolution wanted it to highlight the divergence of views on the sanctions issue between the Congress and the Reagan administration.

Like the sanctions approved by Congress, the Security Council measure would have banned the import of South African gold coins, military equipment and some food and mineral items; suspended landing rights for South African aircraft; and barred most investment in South Africa.

It also would have banned the sale of computers and nuclear technology to South Africa.

During the debate here, the United States said the sanctions "would fail to bring an end to apartheid in a peaceful manner."

Herbert S. Okun, the acting U.S. representative, added that mandatory sanctions would "make it difficult if not impossible to achieve internal reconciliation and regional economic development."

But he harshly criticized apartheid.

Opium Warlord Is Put on Defensive

Burmese and Thais Reportedly Launch Separate Attacks

By Barbara Crossette
New York Times Service

CHIANGMAI, Thailand — An opium warlord whose narcotics trafficking supports an armed rebellion against Burma is reported to be under separate military attacks from Burmese and Thai forces.

The 54-year-old warlord, known as Khun Sa, outraged officials in both countries in January by holding a news conference in rebel-held territory in Burma where he boasted to reporters about a bumper opium crop.

Khun Sa's power and his personal wealth have continued to grow, assisted by inaccessible terrain, lawless surveillance and a large network of corruption surrounding the heroin trade in Thailand.

Both Thailand and Burma have recently begun new efforts to curtail opium production in the Golden Triangle, an area where Laos, Thailand and Burma meet. But despite spraying in Burma and the burning of poppy fields by Thai troops, this year's regional opium crop may reach a record 900 tons, narcotics experts say. Most of it will come from Burma.

The military operations began this week on both sides of the Thai-Burma border do not appear to be coordinated, according to diplo-

mats and Thai officials. Thai troops are concerned primarily with keeping Khun Sa's army out of Thailand and should the Burmese force his soldiers toward the border.

Burmese's army is reported to be taking advantage of the annual dry season to strike at the heart of Khun Sa's military operation, a mountain camp called Doi Lang, which is west of the northern town of Chiangrai.

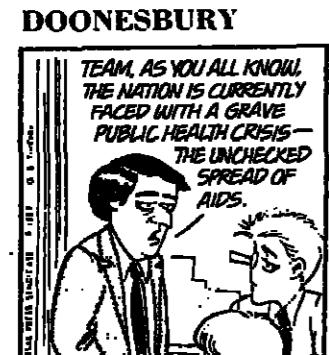
[A Burmese attack Saturday against a large Karen ethnic minority rebel stronghold near the Thai border has driven about 1,000 Karen civilians into Thailand. That police said Sunday, according to a Reuters report from Bangkok.

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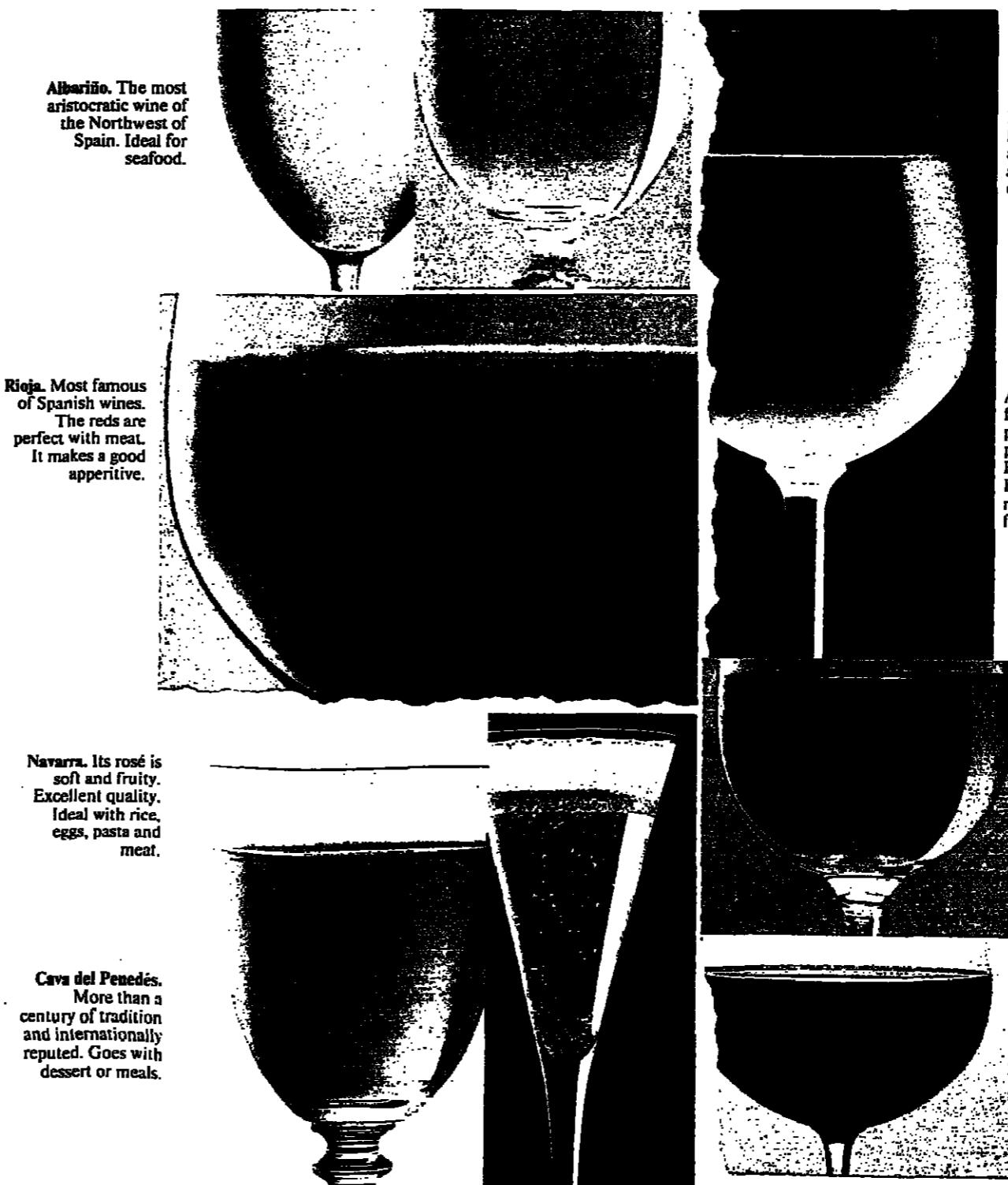


Waldheim Sees Hussein At Start of Vacation

VIENNA — King Hussein of Jordan arrived in Austria for a skiing holiday Saturday. He was welcomed at the airport by President Kurt Waldheim.

Mr. Hussein, who piloted his jet, will spend two weeks in the Austrian Alps with his wife and children. He took a special train to the province of Vorarlberg.

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U.S. Officials Puzzled By Cache of Unclaimed Weapons in Honduras

By Stephen Engelberg
and James L. Moynihan
New York Times Service

WASHINGTON — A large cache of Soviet-made arms sitting unclaimed and unsalable in a warehouse in Honduras has become one of the latest mysteries emerging from the federal and congressional investigations of the private network to arm the Nicaraguan rebels.

Congressional investigators and administration officials have been looking into the possibility that the purchase and delivery of the weapons were arranged by Lieutenant Colonel Oliver L. North, the dismissed National Security Council aide who was directing private efforts to aid the rebels, also known as contras.

These sources said that there was no direct evidence tying Colonel North to the shipments. Several sources said the cache could be a result of an arms deal gone sour that was put together without U.S. government help.

But a Honduran with close ties to Honduran military and government officials said the initial shipments were delivered by a Danish freighter known to have been subsequently used by Colonel North's associates to ferry arms to the contras.

Administration officials said the Central Intelligence Agency had refused to let any of the \$100 million that Congress provided to the contras be spent on the weapons because it was not known who paid for them.

A lawyer for the Miami arms dealer who brokered the weapons, which the dealer offered to the contras for \$20 million, said Saturday that a private "foreign interest" had initially paid for the arms, which include Kalashnikov assault rifles.

The lawyer, Theodore Klein, said the initial purchaser had planned to sell them to the Honduran military, which in turn would sell them to the contras. Mr. Klein insisted that Colonel North had no part in shipping the weapons or in any other aspect of the deal.

But the officials and investigators said they were intrigued by where the money came from to underwrite the multimillion-dollar cost of buying the weapons and shipping them to Central America. The weapons in the warehouse, they said, could help explain how some of the tens of millions of dollars contributed by foreign governments on behalf of the contras was spent.

The Honduran source said he was not sure who had paid for the weapons, which are now being stored in a warehouse owned by the Honduran military in Tegucigalpa.

The source said the arms were to be sold to the contras by a small group of Honduran military officers, who would share the profits

with the two U.S. arms brokers who arranged the deal. Cooperation of Honduran military officials has been essential in maintaining the flow of arms to the contras.

The weapons have become a matter of dispute within the Honduran military, with junior officers charging that the deal is one of several cases involving corruption by senior officers who have profited from supplying the contras. The young officers charged that profits rather than national interests had motivated the support of their superiors for the contras.

Administration officials said the CIA and the State Department were adamant about not buying the weapons, which are like those already used by the contra forces.

"The weapons were put there by somebody who was waiting for a deal to take place," a well-placed American official said. "We don't have any idea who's behind it. We don't know whether it's drug money, laundered money or what. That's why we're staying as far away from this as possible."

According to administration officials and the Honduran source, the deal was brokered by Ronald Martin, who is associated with a Miami-based concern called R.M. Equipment.

He formerly had an interest in the Tamiami Gun Shop in Miami. Mr. Klein said that concern has been selling Soviet-bloc weapons to the contras in the two years since Congress cut off direct military aid, according to a congressional source.

Mr. Martin worked through a contractor in Honduras, a Cuban-American veteran of the CIA named Mario de la Mico, who, a congressional source said, had provided important assistance to the contras.

Mr. Klein said Saturday, "The weapons would not have been shipped if there were not assurances they would be paid for." He declined to identify the original purchaser of the arms, which he said were bought mostly in Western Europe, beyond saying it was a "private foreign interest" and not a government.

He said that the Honduran military had taken possession of the weapons but had not yet paid for them. He added that Mr. Martin would soon take legal action against Honduras if he were not paid.

Investigators have been puzzled by the timing of the shipments to Honduras. According to administration officials, the weapons began arriving in Honduras in mid-1983 and continued to arrive at the warehouse in early 1986, when Congress appeared on the verge of resuming aid to the contras.

In the same period, weapons deliveries arranged by Colonel North and his associates were flowing to the contras.

The source said the arms were to be sold to the contras by a small group of Honduran military officers, who would share the profits

U.S. Visa Lottery: It's Luck of Guess Who

The Associated Press

WASHINGTON — Irish applicants won the biggest block of the 10,000 U.S. immigration openings that will be made available this year and next to people who normally would not qualify, according to figures announced over the weekend. There were 1.3 million applicants, and the Irish won 3,112 openings.

No applicants from Albania, Guadeloupe, Liechtenstein, Luxembourg, Monaco, New Caledonia or San Marino were successful.

The openings were offered under a law designed to help people in 36 countries and territories whose emigration to the United States has decreased since 1965.

For years, all 270,000 immigration openings each year have been filled by people with special attributes such as desirable skills or close relatives living in the United States.

Under the one-time offer to 5,000 people this year and 5,000 in 1988, the only main requirements were a desire to come to the United States and lots of luck.

To give applicants an equal chance, the State Department advertised in the 36 countries and territories that any sending entry forms to a special post-office box in Washington would be selected on a first-come, first-served basis after midnight Jan. 21.

The estimated 400,000 requests received before then were thrown away, as were those sent mistakenly to U.S. embassies abroad.

The first several thousand received Jan. 21 were ranked in order of receipt and computerized. The estimated 900,000 letters received after that arrived too late.

Canada was second in the sweepstakes with 2,078 winners. Then came Britain with 1,181, Indonesia with 810, Poland with 592, Japan with 518 and Italy with 315.

Now that the winners have been picked, U.S. embassies are mailing notifications and requests for biographical data.

Under the law, authorities have until Sept. 30 to process the first 5,000 and Sept. 30, 1988, to process the next 5,000. Applicants

who fail to provide the necessary papers in time could be out of luck. In addition, some of the applicants will be ineligible for various reasons, such as criminal records, and others may decide they do not want to become U.S. residents after all.

Ruth van Heege, a State Department spokeswoman, said the department had set aside a number of applications beyond the first 10,000 in case there are dropouts.

Here is the State Department's list of the number of winners from each country:

Albania 0, Algeria 15, Argentina 170, Austria 82, Belgium 63, Bermuda 6, Britain 1,181, Canada 2,078, Czechoslovakia 27, Denmark 45, Estonia 7, Finland 39, France 201, East Germany 20, West Germany 311, Gibraltar 1, Guadeloupe 0, Hungary 32, Iceland 4, Italy 810, Ireland 3,112 and Italy 315.

Also Japan 518, Latvia 1, Liechtenstein 0, Lithuania 3, Luxembourg 0, Monaco 0, New Caledonia 0, Netherlands 108, Norway 9, Poland 592, San Marino 0, Sweden 129, Switzerland 96 and Tunisia 16.

Andy Warhol, 58, Dies; He Turned Pop Images Into a High Art Form

Compiled by Our Staff From Dispatches

NEW YORK — Andy Warhol, 58, who turned popular images into high art, died Sunday in his sleep of a heart attack.

Mr. Warhol was pronounced dead at New York University Hospital. He had undergone gall bladder surgery at the hospital Saturday.

Born Andrew Warhola, one of three sons of Czechoslovak immigrants living in Pittsburgh, Mr. Warhol worked as a fashion illustrator until his success with a Campbell's Soup can in 1962 caused him to turn to pop art.

He also produced and filmed off-beat movies, including an eight-hour show based on a man asleep in bed.

He almost died in 1968 when he was shot by an actress, Valerie Solanas, at his office in New York.

Mr. Warhol attended Carnegie Tech, now known as Carnegie-Mellon University, and graduated in 1949 with a bachelor's degree in art. After doing odd jobs in Pittsburgh, Mr. Warhol went to New York and began his work as a fashion illustrator.

In 1957, he won the Art Directors Club medal for a shoe advertisement. Then in 1962 he conjured up the Campbell's Soup can as a pop art symbol. It was regarded as an avant-garde approach and from that time onward, Mr. Warhol was a Polish Roman Catholic Church.

Polish and other church leaders here could not be reached for comment on the communiqué, which resulted from negotiations between Archbishop Lustiger and Mr. Klein and the Polish Roman Catholic Church.

The statement apparently cleared the way for Sunday's communiqué, which resulted from negotiations between Archbishop Lustiger and Mr. Klein and the Polish Roman Catholic Church.

The statement apparently removed the way for Sunday's communiqué, which resulted from negotiations between Archbishop Lustiger and Mr. Klein and the Polish Roman Catholic Church.

Mr. Warhol liked to associate with New York celebrities and often could be found dancing in the city's discos.

"He made his own lifestyle a work of art," said Richard Oldenburg, director of the Museum of

Modern Art. "He was one of the first people to really become a star as an artist, and once celebrity came he certainly enjoyed it."

Mr. Warhol's fame emanated above all from his innovative and influential pop art, his representation of commonplace commercial items and circumstances as art itself. With ever-present camera and tape recorder, he came through his work to be viewed as a recorder of society.

In 1969 he created Interview magazine, a compendium of jet-set gossip. In the 1970s, he produced images of the glamorous that filled the entire fourth floor of the Whitney Museum of American Art in 1979 show.

In recent months, he produced a program for MTV called "Andy Warhol's Fifteen Minutes," a reference to his comment that in the future, everyone would be famous for 15 minutes.

Although many first regarded Mr. Warhol as an artistic fraud, "he was a serious artist whose poster art was masterpiece," said William Rubin, chief curator of painting and sculpture at the Museum of Modern Art. "He was a pioneer of image appropriating pop art, the implications of his ideas are still unfolding in post-modernism."

The Warhol work that has fetched the highest price to date is painting of 200 one-dollar bills, it was sold for \$345,000 at an auction in 1986 in New York.

In a rare explanation of his work, he said, "I'm being eaten for lunch for 20 years so I painted it," he said.

Mr. Warhol was pronounced dead at New York University Hospital at 6:31 A.M. from a heart attack, said a hospital spokesman, son, Diane Goldin. He had undergone gall bladder surgery at the hospital Saturday, she said.

Convent Near Auschwitz Camp to Be Removed

By Thomas Nettler
International Herald Tribune

GENEVA — Roman Catholic leaders from Poland, France and Belgium, at a meeting with European Jewish leaders here, agreed Sunday to remove a Carmelite convent at the grounds of the Auschwitz and Birkenau concentration camps in Poland within two years.

Theo Klein, president of the Council of Jewish Institutions in France, said the Catholic group, which included the archbishops of Paris, Lyon, Brussels and Krakow, the Polish city near the Auschwitz camp, had agreed to establish the interreligious center away from the camp to provide a place for Catholics and Jews to pray and meditate and eventually to house the 10 Carmelite nuns who had lived at the convent.

Mr. Klein said the agreement resolved a lingering dispute between Roman Catholic and Jewish leaders over the convent.

The establishment of the convent had caused dismay among Jewish groups in the United States and

Western Europe who regarded it as an affront to the memory of Jews who were murdered at Auschwitz during the Nazi occupation of Poland in World War II.

"I don't want to talk about a victory, but this is a great satisfaction for us," Mr. Klein said, "because what was also really at stake were the relations between the Catholic Church and the Jewish people, a relationship which, as we know from history was not always easy."

By substituting the interreligious center away from the camp for the convent, which was located in an unused theater just outside the Auschwitz site, the church leaders apparently hope to avoid recriminations from members of either faith.

More than two million Jews and from 1.25 million to 1.5 million non-Jews, most of them Polish Roman Catholics, were killed at the camp.

West European Jews have insisted that the camp be preserved as a monument of the mass murder of Jews there. But Catholic groups, such as one called Aid to the Church in Distress in West Germany, had argued that the Carmelite sisters were praying and doing penance for all who died there.

The issue has continually raised strong emotions. Some senior church leaders have questioned the establishment of the convent in a punishment cell in place of a widespread perception of the Nazi effort to exterminate the Jews.

But they also noted that Pope John Paul II canonized a Polish priest, Maksymilian Kolbe, in Auschwitz, where he died of starvation in a punishment cell in place of a married prisoner.

Participating in Sunday's meeting were Albert Decourtraz, archbishop of Lyon, Jean-Marie Lustiger, archbishop of Paris, Godfried Daniels, archbishop of Brussels, and Franciszek Macharski, archbishop of Krakow.

The Jewish group was led by René-Samuel Sirat, the grand rabbi of France, Mr. Klein, and Ady Steig, president of a committee opposing the convent.

At a meeting here in July, the group issued a joint statement recognizing the "special significance" of Auschwitz and Birkenau to the Holocaust, in which the Nazis murdered an estimated six million Jews.

The statement apparently removed the way for Sunday's communiqué, which resulted from negotiations between Archbishop Lustiger and Mr. Klein and the Polish Roman Catholic Church.

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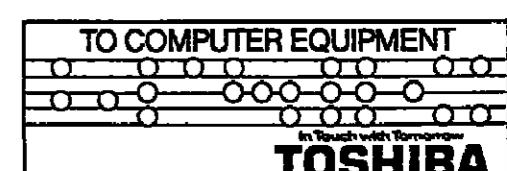
Warhol, 58, turned Pop into a High Art Form



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EUROBONDS

Stocks, G-5 Session Steal Spotlight From New Paper

By CARL GEWIRTZ
International Herald Tribune

PARIS — Eurobond underwriters fought a losing battle last week trying to win investor attention. The bond market could neither compete with the buoyant stock markets in New York, London and Tokyo nor overcome the wariness about the outcome of the weekend meeting of finance ministers from six leading industrial nations.

This left underwriters sitting on most of the paper they marketed last week, but they weren't overly concerned.

In London, bankers were expecting the weekend meeting of finance ministers and central bank officials to result in at least a temporary stabilization of exchange rates. Bankers said that stability should encourage a shift into Eurodollar bonds from lower yielding assets in other currencies.

But in each currency sector, bankers said they saw good reasons why investors should come flocking back. In Frankfurt, bankers are confident that Deutsche mark bond buyers are poised to pocket additional capital gains. Their theory is that the level of real DM interest rates, or what is left after subtracting the rate of inflation, is still too high, leaving plenty of room for coupon levels to decline and bond prices to rise.

As for Euroyen bonds, bankers expect to see increasing demand from Japanese investors who prefer to remain in yen to avoid exchange-rate risks, but are attracted to the higher yields than are available in the domestic bond market.

Investors, however, were unimpressed with such reasoning and avoided new commitments. This was made clear by the response to the \$200 million of five-year notes offered by General Motors Acceptance Corp., a frequent but popular issuer. The 7% security notes were priced at 101, or \$1,010 for each \$1,000 security. Allowing for the underwriting fees of 1% percent, the notes were priced to yield about 6.1 basis points, or 0.61 of a percentage point, over comparably dated U.S. Treasury paper.

Bankers, usually quick to carp at the pricing on issues they have not arranged, assessed GMAC's terms as fair. But investors were not attracted and the paper ended the week at a discount of 2 points.

ONLY THREE OF THE NINE fixed-rate Eurodollar bonds offered last week appeared to be selling, and that was because they were considered attractive asset swaps. The yields were higher than those that are currently available on outstanding bonds of the same maturity from similar-quality issuers, inclining investors to sell what they held and replace it with the new paper. But little new money was being committed to the market.

New Zealand, whose debt is rated double-A, priced its \$150 million of 10-year at 99% bearing a coupon of 8 percent. Less the 2 percent fees paid to underwriters, the paper yielded 9.3 basis points over Treasury paper, a big pick-up over what outstanding 10-year bonds currently yield. The bonds ended the week down 1.6 points, comfortably within the commissions paid to underwriters, and yielding 8.3 basis points over Treasury paper.

Bankers who complained about this issue said it was priced too generously and that New Zealand could have paid less.

At the short end of the market, Atlantic Financial, a U.S. savings and loan association, offered \$175 million of three-year collateralized notes that were backed by U.S. Treasury bonds, agency bonds and cash, giving the issue a triple-A rating.

Priced at 101% with a coupon of 7.4 percent, the paper was offered to underwriters with fees of 1% percent to yield 6.5 basis points over the Treasury curve. The notes ended just within the fees at a discount of 1.3 points.

Macmillan Bloedel, whose debt is rated triple-B, offered its \$100 million of 9 percent, nine-year bonds at 100%. Less the fees of 2 percent, the bonds yielded 17.5 basis points over Treasury debt and made good fodder for a swap into floating-rate debt below the London interbank offered rate.

The remaining issues languished, particularly the \$250 million, five-year notes issued by General Electric Credit. The paper was priced to yield 32 basis points over the Treasury curve, a level that the market judged too skimpy by far. Numerous investment bankers said they refused the invitation from Union Bank of Switzerland to co-manage the issue, and UBS was estimated to be left holding some \$175 million on its own books. The notes ended the week down 2.4 points.

In the DM sector, the European Community's 5% percent coupon on 300 million DM of six-year notes compared unfavorably with domestic yields of 5.4 percent and the paper did not sell.

Avis Financial, a unit of Avia Europe that was spun off last year from the American auto rental company, set a coupon of 5% percent on five-year notes and ended the week down 1.4 points, just inside the underwriting fees of 2 percent.

Increasingly, the market is being used as a means to create

See EUROBONDS, Page 9

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes		Money Rates	
United States	Feb. 20	Feb. 13	Chrs.
DJ Indust.	2,232.25	2,185.35	+2.24
DJ Upt.	2,222.02	2,207.55	+0.56
DJ Trans.	951.55	922.34	+3.17
S & P 100	272.80	267.00	+5.80
S & P Ind.	265.45	270.70	+2.07
S & P 500	324.41	317.40	+1.01
NYSE Cr.	146.02	159.54	+2.04
British			
FTSE 100	1,943.50	1,886.10	+2.34
FT 30	1,567.00	1,571.00	+3.02
Nikkei 225	20,889.39	19,768.87	+2.20
West Germany	1,247.20	1,261.10	-0.80
Commercek.	2,827.40	2,740.47	+3.17
World	402.20	400.60	+1.65

World Index From Morgan Stanley Capital Int'l.

Currency Rates

Currency Rates		Feb. 20	
U.S. dollar	1.3845	1.3844	1.3845
British pound	2.7245	2.7239	2.7239
French franc	1.2795	1.2795	1.2795
London £	1.559	1.5593	1.5593
Miller	1,362.70	1,369.00	71.00
New York	1,362.70	1,369.00	71.00
Paris	1.3702	1.3702	1.3702
Tokyo	1.3548	1.3536	1.3536
Zurich	1.3285	1.3285	1.3285
1 ECU	1.2785	1.2785	1.2785
1 SDR	1.2669	1.2669	1.2669

Chains in London and Zurich, figures in other European centers. New York rates of 4 P.M.

(a) Commercial trade; (b) Amounts needed to buy one pound; (c) Amounts needed to buy one U.S. dollar; (d) not quoted; N.G.: not available

(e) To buy one pound: 433.13/35

Other Dollar Values

Currency per U.S.	Currency per U.S.	Currency per U.S.	Currency per U.S.
Arsen, standard	1,4095	4.553	1,4095
Australia \$	1.9883	1.9883	1.9883
Austria, Fr.	2.1617	2.1617	2.1617
Bahrain, Dinar	26.17	1.1625	26.17
Brazil, Cruzeiro	18.44	1.0000	18.44
Canadian \$	1.2297	0.6219	1.2297
Chinese Yuan	3.2221	0.2887	3.2221
Denmark, Krone	4.6620	0.2160	4.6620
Egypt, Pound	1.28	2.581	2.581

Source: Interbank Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale des Sports (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAIU (dinar, riyal, dirham); Gestbank (Vienna); Other data from Reuters and AP.

Debt Set A Record In 1986

World Bank Sees Global Threat

Compiled by Our Staff From Dispatches

WASHINGTON — Third World debt has passed \$1 trillion for the first time and threatens the global financial system, according to the World Bank.

The bank, in its most pessimistic assessment in years, said in a report released Friday that unless Third World economies expand, relations between debtors and creditors could break down with "consequent lasting damage to the international financial system and world economy."

The bank estimated total developing country debt last year at \$1,035 billion, compared with \$992 billion in 1985.

The bank said projections for this year showed an increase of 4 percent, to \$1,080 trillion.

Charles Larkum, who heads the World Bank's External Debt Division, said that total debt, when adjusted for inflation, dropped last year. But other officials cautioned that this was no cause for jubilation.

The fact that debt did not increase much last year "is not a good thing, in these current circumstances," said Jean Banchet, who heads the bank's Economic Analysis and Projections Department.

"It is not a good thing," he added, "because it reflects the drying up of financing following the Mexican crisis almost half a decade ago and because it imposed on developing countries an enormous adjustment effort."

Bank officials, in the report and in a news briefing, indicated that the global debt initiative launched in October 1985 by the U.S. Treasury secretary, James A. Baker 3d, was not showing desired results.

Mr. Baker proposed new lending to debtor countries by commercial banks and multilateral development banks, and urged a stronger role for the World Bank in dealing with the debt crisis. He said stronger efforts should be made to help countries grow out of their debt problems, contending that austerity programs alone would not be enough.

But lending from commercial banks has dropped in recent years, even as lending from government and intergovernmental bodies such as the World Bank has been increasing. The World Bank lent poor countries more than \$16 billion in the year ended June 30.

"Bankers' attitudes have hardened," the report says, "and the perceived incentives for further lending have been weakened."

The bank's annual study of poor countries' debt indicated the nations had maintained relations with creditors by stalling development and reducing their people's incomes.

The report said that net transfer of funds from all developing countries to their creditors rose from \$2.3 billion in 1985 to \$29 billion in 1986.

The outflow reverses the more usual flow of capital from rich countries to poor ones, which allows the construction of roads, dams, farms and factories in the poor countries, creating jobs and raising living standards.

The report says sacrifices by the poor countries are not enough to get them growing again and calls for new lending from abroad.

(Reuters, AP)

A Superstar and His Unflashy Firm

Mismatch of Siegel, Kidder May Have Led Both Astray

By William Glaberson
New York Times Service

NEW YORK — In the days when Martin A. Siegel was riding high as one of the country's top takeover specialists, junior associates at Kidder, Peabody & Co. admiringly called him the barnacled. "He was pretty, he was smooth and he was fast," one of them explained.

He was, in short, all the things that Kidder, Peabody was not. The 122-year-old investment bank was decidedly unflashy. It was plagued with uncertainty about the role it wanted to play on Wall Street. And it moved painfully slowly in a financial world that was racing ever faster.

For many years, the mismatch seemed to work. Mr. Siegel brought Kidder to the forefront of the takeover business by persuading companies that they needed him to defend them against unwanted takeovers. In the process, the young investment banker became a star.

Mr. Siegel was a Kidder Peabody man. He arrived there at the age of 23 and did not leave for 15 years. But he outshone his firm in public, gained extraordinary influence in private and grew impatient with its progress.

Now, because of Mr. Siegel, Kidder has been drawn into Wall Street's insider-trading scandal. By his own account, he was routinely violating the law, supplying the arbiter Ivan F. Boesky and, the government charges, Kidder's own traders, with confidential information on corporate strategies. Kidder has not been charged with wrongdoing.

It may be hard to understand why a polished family man who reportedly earned \$2.5 million a year would descend into the world of passwords and begmen.

But to some extent, the tensions between Kidder and the superstar it fostered may have contributed to pressures that led both astray.

Analysts already had been wondering whether Kidder, even with GE's backing, could make the steep climb into the major leagues of investment banking, which is largely monopolized by a half-dozen firms.

In any event, the scandal may well impede Kidder's hopes of becoming a top-tier investment bank. In April, Kidder took a major step in that direction: In exchange for access to several hundred million dollars of de-

perately needed new capital, it sold an 80-percent interest to General Electric Corp.

But now, Kidder's managers are likely to be preoccupied with the scandal to lead both astray.

Despite the current scandal, Kidder says that its plans for expansion are still on track. GE has provided a credit line of \$500 million for short-term financing so that Kidder can compete with several other top firms that are moving into merchant banking.

In merchant banking, institutions not only advise companies on takeovers and acquisitions but also provide financing, earning huge fees. In 1985, Kidder says, it placed \$500 million of high-yield debt securities. In

See KIDDER, Page 9

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See KIDDER, Page 9

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New International Bond Issues

Compiled by Laurence Desvillettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
American Express Bank	\$200	1999	1%	100	—	Over 3-month Libor. Redeemable in stock or in cash of maturity. Callable in 1992 against cash or stock. Fees 0.375%. Denominations \$10,000.
Christiansen Bank	\$30	1997	8%	101%	—	Coupon will be pegged to 6-month Libor, rising if Libor falls and falling if Libor rises. Noncallable. Fees 2%. Denominations \$5 million.
TOPS Number Two	\$100	1992	1%	100	—	Over 3-month Libor. Sinking fund to start in 1991. Fees 0.10%. Denominations \$50,000.
FIXED-COUPON						
Atlantic Financial Federal S & L	\$175	1990	7 1/4	101%	99.95	Noncallable. Fees 1.1%. Registered notes in denominations of \$100,000.
General Electric Credit	\$250	1992	7%	101.65	99.53	Noncallable. Fees 1.1%.
GMAC	\$200	1992	7%	101	99.00	Noncallable. Fees 1.1%.
Macmillan Bloedel	\$100	1996	9	100%	99.73	Noncallable. Fees 2%.
Morubeni Int'l Finance	\$30	1992	7 1/4	101%	—	Noncallable. Fees 1.1%.
New Zealand	\$150	1997	8	99%	98.25	Noncallable. Fees 2%.
Sanwa Bank (London)	\$100	1994	8	101%	100.38	Noncallable. Loan participation certificates issued by Morgan Guaranty GmbH in the name of Sanwa Bank. Fees 1.1%.
Swedish Export Credit	\$125	1991	7	100%	99.00	Noncallable. Fees 1.1%.
World Bank	\$250	1997	7 1/4	101	99.25	Noncallable. Fees 2%.
Air Canada	DM 200	perp	6%	100	—	Coupon will be 6% until 1994 and will then be reset every 3 years. Callable at par in 1994 and every 3 years thereafter. Fees 2.4%.
Avis Financial Services	DM 100	1992	5%	100	98.75	Noncallable. Fees 2%.
Central Bank of Turkey	DM 125	1992	6%	100	—	Noncallable. Fees 2%.
European Community	DM 300	1993	5%	100	98.75	Noncallable. Fees 1.1%.
Australia	£100	1997	10%	100%	99.63	Noncallable. Fees 2%.
Norsk Hydro	£50	1992	10	100%	98.63	Noncallable. Fees 1.1%.
Nederlandse Middelstandsbank	DF 150	1992	6	100	—	Noncallable private placement.
Philips Gloeilampenfabriek	DF 150	1992	5%	99%	—	Noncallable private placement.
Royal Nedlloyd Group	DF 150	1992	6%	100	—	Noncallable. Redemption amount of maturity will be in U.S. dollars, at a fixed exchange rate of 2.01 guilders per dollar.
Swedish Export Credit	DK 300	1993	10%	100%	98.25	Noncallable. Fees 1.1%.
Ireland	ECU 100	1999	8	98%	96.25	Noncallable. Fees 2.4%.
Morubeni Int'l Finance	ECU 20	1992	8%	101%	—	Redemption amount of maturity will be linked to the West German Treasury's 6% bonds due 2014, will increase if price falls and decrease if price rises. Noncallable. Fees 1.1%. Denominations 100,000 ECU's.
Morubeni Int'l Finance	ECU 20	1992	8%	101%	—	Redemption amount of maturity will be linked to the West German Treasury's 6% bonds due 2014, will decrease if price falls and increase if price rises. Noncallable. Fees 1.1%. Denominations 100,000 ECU's.
Mortgage Bank of Denmark	ECU 75	1992	7%	101%	100.00	Noncallable. Fees 1.1%.
Deutsche Bank Finance (Curacao)	CS 125	1994	9	101%	100.25	Noncallable. Fees 1.1%.
Girozentrale & Bank der Österreichischen Sparkassen	CS 75	1994	9	101%	99.00	Noncallable. Fees 1.1%.
Nippon Credit Bank (Curacao) Finance	CS 75	1994	9%	101%	99.63	Noncallable. Fees 1.1%.
Bayernhypo Finance	Aus 50	1992	14%	101%	100.13	Noncallable. Fees 2%.
Exportfinanz	Aus 50	1990	14%	101%	98.63	Noncallable. Fees 1.1%.
Mettallgesellschaft Finance	Aus 50	1992	14%	101%	98.88	Noncallable. Fees 2%.
Austria	Y 20,000	2007	5%	102	—	Noncallable. Fees 2.4%.
Crédit Lyonnais	Y 15,000	1992	5	102%	100.75	Noncallable. Fees 1.1%.
Finland	Y 15,000	1996	5%	101%	99.75	Noncallable. Fees 2%.
Société Générale	Y 20,000	1992	5%	104%	—	Noncallable. Fees 1.1%. Denominations 100 million yen.
Société Nationale des Chemins de Fer Français	Y 20,000	1993	4%	101%	99.50	Noncallable. Fees 1.1%.
State Bank of Victoria	Y 10,000	1992	5	101%	100.13	Noncallable. Fees 1.1%.
World Bank	Y 50,000	1994	4%	101%	99.75	Noncallable. Fees 1.1%.
WARRANTS						
Merrill Lynch Int'l	0.10	1990	—	\$50	—	Each warrant entitles holder to buy \$300 at a fixed exchange rate of 1.815 marks per dollar.
Bank						

Seoul to Cut Reserves by Paying Debt

By Carl Gwertz

International Herald Tribune

PARIS — South Korea, under increasing international pressure to reduce its growing international trade surplus and large accumulation of reserves, plans to reduce those reserves by repaying some foreign debt.

The role of the newly industrialized nations in running trade surpluses was criticized by finance

ministers of six leading industrial powers who met in Paris over the weekend.

Without citing any countries by name, a communiqué issued by the six stated that "these economies have achieved strong growth based ... on their access to open, growing export markets."

But the statement said that it was important that these countries "assume greater responsibility" by reducing trade barriers and pursuing policies that allow their currencies to reflect more fully underlying economic fundamentals."

Both South Korea and Taiwan, the other major newly industrialized nation, peg their currencies to the dollar and those currencies have depreciated along with it.

Meanwhile, South Korea an-

nounced that it would prepay a \$650 million loan on March 30. Interest on the eight-year loan, arranged in 1984, is expensive by today's standards — 3% point over the London interbank offered rate on most of it, and 20 basis points over the prime rate of U.S. banks on the rest.

In all, the Korean Exchange Bank is expected to prepay about \$1.4 billion in the next few months. Foreign lenders see a double purpose in the prepayments — to reduce reserves and international pressure for a currency revaluation, and to soften up the banks in preparation for renegotiating the terms on the remaining debt. The bulk, around \$35 billion, of South Korea's \$44.5 billion foreign debt is owed to banks and most of that at terms that appear to be too high given the country's financial strength and the lowering of bank charges in other countries.

"South Korea today could raise a new loan at a cost of 1% to 3% point over Libor for 10 years," a senior officer of a U.S. bank said.

In fact, the Koreans are expected to negotiate for a rate of 4% point, or 25 basis points, over Libor on existing debt that has eight years or less still to run.

In other credit business, Gibraltor Financial Corp. of the United

States is seeking a \$100 million, three-year credit line. It will pay an annual facility fee of 3.14 basis points and drawings on the loan will cost 37/4 basis points over Libor. Underwriters taking a commitment of \$125 million will be paid a front-end fee of 17/4 basis points.

United Paper Mills Ltd. of Franklin is seeking a \$100 million, eight-year facility and is asking banks to underwrite only \$30 million of this as a revolving credit. The facility fee starts at 5/4 basis points for the first four years and then rises to 7/4 basis points. Drawings on the credit will cost 12/4 basis points over Libor.

Finelli SpA, the diversified Italian tire-maker, increased its note issuance facility to \$100 million from the \$75 million initially indicated. It is paying an annual fee of 5 basis points and drawings will range from 5 to 12/4 basis points, depending on how much is used.

Amer Group Ltd., the Finnish tobacco, consumer and sporting goods company, raised \$95 million in syndication and opted to increase its credit to only \$50 million from the \$30 million initially indicated. It is paying an annual fee of 5 basis points and drawings will be set at Libor with utilization fees ranging from 5 to 12/4 basis points, depending on how much is used.

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A notable aspect of the terms, the lead manager Credit Suisse First Boston said, is that the base for the coupon refining is a capital market rate rather than a money market rate. Normally, money market rates should be lower than capital market rates, but on rare occasions the order can be inverted. By linking a capital-market instrument to a capital-market rate, Amer Group reduces the risk that lenders' financing costs could outstrip their income.

The European market, in addition to suffering from the general lack of investor demand for bonds, had

government assurance that if stock is ever sold to the public, the government would always remain a majority owner of the airline.

Air Canada sold 200 million DM of perpetual bonds. Interest for the first seven years is set at 6% percent. Thereafter, the coupon will be reset every three years at 1/2-point over the average yield on the three-year refinancings of four landesbanken.

The current seven-year finance cost is 6 percent, leaving underwriters whose fees total 2% percent, earning 85 basis points over the domestic cost of money for the first coupon period.

Leenders were given an official

T-Bonds Dip As Dealers Wait Out the Weekend

New York Times Service

NEW YORK — Prices of Treasury notes and bonds declined moderately Friday as participants moved to the sidelines to await the impact of a moratorium on Brazilian debt, a rate cut in Japan and the Group of Five meeting.

The bellwether long-term bond, the 7.5 percent issue due in 2016, was offered late Friday at 94.56 and 7/32, down 7/32, to yield 7.56 percent.

That was 1 basis point, or one-hundredth of a percentage point, below that of a week ago.

The key long-term note, the 7.25 percent issue of 1996, also fell 7/32, to 100 2/32, and now yields 7.23 percent.

Maria F. Ramirez, a managing director and money market specialist at Drexel Burnham Lambert, said, "Many fear that a moratorium on interest payments by Brazil could be followed by the Philippines and several other countries that are financially hard-pressed."

"But as far as our credit market is concerned," she said, "Brazil's action could diminish the likelihood of any tightening by the Fed or other changes in its policy for the foreseeable future."

But some analysts, noting that the "1/2 spread" had widened, believed that the market had already reacted to the Brazilian development. The ted spread is the difference between Treasury bill and Euromarket futures.

The pivotal June Treasury bill contract closed Friday at 94.56 and the same Eurodollar delivery at 93.65. This ted spread of 0.96 compared with one of 0.77 early last week.

"While the recent drop in Treasury bill rates has caused the ted spread to widen," Ms. Ramirez said, "it does not mean that there has been a flight out of the certificates of deposit of the banks with large exposures in Brazil."

"In fact, there has been no such flight," she added. "What may account for the wider ted spread is the fact that the supply of Treasury bills has been shrinking for the past two months."

The discount rate on the 90-day U.S. Treasury bills traded late in the session was 5.47 percent, off a basis point. But the six-month bills jumped 11 basis points, to 5.50 percent, and the one-year bills rose 3 basis points, to 5.61 percent.

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The discount rate on the 90-day U.S.

How to get more out of the Trib



The Front Page AN INDEX ON THE WORLD



NEWSPHOTOS, PEOPLE, EVENTS

A perceptive reader once called the IHT "an index on the world" — a phrase that was meant to describe the paper as a whole — but is probably more appropriate to our front page.

Because our audience is so far-flung we don't look at the news through any national or political filter. We strive for a truly international perspective — a global context for our global audience.

We draw on what is probably the world's most prestigious news-gathering network. In addition to our own reporters in key news centers, we have direct access to the reports of all New York Times and Washington Post bureaus around the world. Plus reports from the Los Angeles Times and the major news services: The Associated Press, United Press International, Reuters and Agence France-Presse.

Nearly 3 million words pour into our newsroom computers every day. A team of 40 professional editors selects, processes and condenses those words down to 3% of the original volume. What the editorial team chooses for page one is the most important news from around the world.

Who, What, Where, When, Why, How?



A WIDE SPECTRUM OF VIEWS

Is the U.S. dollar up or down? Turn to Currency Rates, a daily listing in the Business/Finance section of the Trib.

- William Pfaff and Flora Lewis, writing on French and European affairs.
- Giles Merritt, writing from Brussels on the European Economic Community.
- U.S. President-watcher David Broder.
- Jonathon Power on the Third World.
- Cartoonists Oliphant, MacNelly.
- and a number of other columnists, representing a wide variety of viewpoints from George Will and William Safire to James Reston, Anthony Lewis and Tom Wicker.

Special Reports

TO READ AND TO KEEP

About 50 times a year, the Trib publishes in-depth reports on countries or topics of particular interest. From the Euromarkets to fashion from Austria to Japan, the reports are of the highest editorial quality. Which is why many readers keep them on file for future reference.

The Features Page

A CHANGE OF PACE

Most Trib readers find that their interests transcend the boundaries of any single culture. As the only newspaper specifically edited for the global citizen, the IHT reflects this international focus in its coverage of the arts and leisure.



FASHION, ARTS, SCIENCE, CULTURE

Every day of the week, the features page is fresh and different. Hebe Dorsey covers fashion — and the people who make it — on Tuesday.

Wednesday brings "The London Stage," with reviews of British theater.

Every Thursday a special "Science" page covers discoveries in science and medicine.

Friday is the day for the sparkling "Travel" and "Weekend" sections. Special travel columns are designed for the frequent traveler, the gourmet and the discerning shopper. And the arts and culture coverage gives Trib readers special insight on trends and personalities worldwide.



TRAVEL FAR AND WIDE FOR BUSINESS OR PLEASURE

Saturday's fine arts features are highlighted by Soren Melikian's authoritative coverage of the art markets.

American and European Topics

REGULAR NEWS FEATURES

For those who want to keep up with trends in the U.S., "American Topics" appears each Monday, Wednesday and Saturday, usually on page 3.

"European Topics," a similar selection of short, topical items on Europe, appears every Friday.

The Editorial Pages

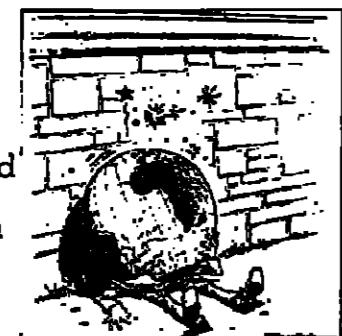
A FORUM FOR WORLD OPINION

No, Helmut Schmidt, John Kenneth Galbraith, the Dalai Lama and Javier Perez de Cuellar do not work for the International Herald Tribune.

But articles by them — and by dozens of other world opinion leaders — have appeared recently on the Trib's editorial pages.

Carefully separated from the news pages, the editorial pages present a wide range of analysis and opinion from many points of view and from every corner of the world.

On topics of particular international significance, the Trib's own editorial writers express the opinion of the global newspaper. Each day, editorialists from The New York Times, The Washington Post and other journals give a sense of how other leading newspapers see the world. Among the widely respected columnists that appear regularly on the editorial page are:



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A brief guide to the International Herald Tribune, the global newspaper, for time-pressed readers.

Personal Investing

FOR THE INTERNATIONAL INVESTOR

On the second Monday of each month, "Personal Investing" provides an overview of investment opportunities and market conditions worldwide. Edited specifically for the high net-worth individual, this special section provides lively analysis of world investment markets and a wide range of new

investment instruments. Each month it presents a fresh and comprehensive report on investment strategies and topics ranging from world stock and bond markets, commodity trading, currencies and real estate to various aspects of personal money management.



WHERE TO PLACE YOUR MONEY.

The Sports Page

The Trib covers all the international sports: tennis, golf, skiing, sailing, motor racing, rugby, soccer. Also the latest stories and scores of American sports.

The Back Page

Some readers have admitted that they turn to the back page even before glancing at the front page headlines. Hardly surprising, as this is where three Pulitzer winners alternate:

- Art Buchwald on Tuesday and Thursday.
- Russell Baker on Wednesday and Friday.
- William Safire, writing on Language each Monday.
- The center-of-the-page feature is selected for its wide appeal and excellent writing. And in the "People" corner, interesting names make irresistible reading, day in, day out.

The Classified Ads

How many other dailies do you know with classified sections that offer such headings as "Money Management," "Moving," "Tax-Free Shopping," "Air Couriers" and "Precious Stones"? The Trib's classified ads specifically address the needs of an affluent, mobile, international audience.

In the more common categories, you may want to note the following publication days:

- International Executive Positions each Thursday.
- International Real Estate on Friday.
- International Secretarial Positions each Tuesday.
- Holidays & Travel on Friday.
- International Education on Saturday. (For a copy of all ads that appeared in this section last year, request your complimentary copy of the IHT's International Education Guide.)
- International Business Opportunities, each Wednesday.
- International Art Exhibitions, Auction Sales, Collector's Guide, each Saturday.

The Comics page

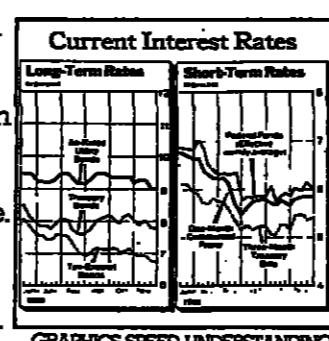
Everyone needs a change of pace — and that's why the Trib's comics page is one of its most popular.

You'll enjoy keeping up with the daily exploits of Charlie Brown and the rest of the Peanuts gang, Gondola, Dennis the Menace and all the others.

But that's not all. Rounding out the page are the daily and Saturday crossword, the book review, bridge column, chess problem and jumble word puzzle. And if you're uncertain what to pack for your next trip, consult the world weather report.



THE LONE BEAGLE



GRAPHICS SPEED UNDERSTANDING

We hope this guide will help you get more out of the newspaper of which Time Magazine wrote, "Many newsmen believe that for its slim size, the Trib is the most readable and informative daily published anywhere."

And we hope it will convince you that it's a paper that you want to read every day of the week.

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Denmark	DK.	2,000	1,200	600	10 DK.	4.20	DK. 30%
Finland	FM.	1,000	600	400	8 FM.	4.00	FM. 40%
France	FF.	1,400	700	400	7 FF.	3.25	FF. 40%
Germany*	DM.	500	300	170	270 DM.	1.75	DM. 40%
Gr. Britain	£	150	65	35	55 £	0.23	£ 40%
Greece	Dr.	20,000	11,000	6,000	100 Dr.	10.00	Dr. 40%
Ireland	IrL.	10,000	7,000	4,000	40 IrL.	1.75	IrL. 40%
Italy	Lir.	250,000	170,000	100,000	1,000 Lir.	9.60	Lir. 40%
Luxembourg	Lfr.	10,700	5,800	3,200	50 Lfr.	2.99	Lfr. 40%
Netherlands	Fl.	604	340	190	3 Fl.	1.75	Fl. 40%
Norway	Nkr.	1,650	900	500	8 Nkr.	4.50	Nkr. 40%
Portugal	Ec.	10,000	7,000	4,000	125 Ec.	5.50	Ec. 40%
Spain*	Pts.	24,000	14,000	8,000	125 Pts.	7.75	Pts. 40%
Sweden*	Sk.	1,700	920	500	9 Sk.	4.70	Sk. 40%
Switzerland	Fr.	400	270	140	250 Fr.	1.35	Fr. 40%
Rest of Eur. N. & S. & French Africa, Middle East	\$	400	220	120	Varies by country	\$ 0.89	
Rest Africa, Gulf States, Asia	\$	500	300	160	Varies by country	\$ 1.51	

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Italy Quits Talks, Threatens Summit

Compiled by Our Staff From Dispatches

ROME — Italy, protesting that it had been relegated to a rubber-stamp position in the Group of Seven industrial nations, boycotted a Paris meeting of the group on Sunday and threatened to derail the group's planned economic summit meeting in Venice in June.

Treasury Minister Giovanni Goria, on orders from the Socialist prime minister, Bettino Craxi, notified the French finance minister, Edouard Balladur, shortly before the Paris meeting opened that Italy would not attend. Mr. Goria and his aides quickly flew back to Rome.

Mr. Craxi's office later issued a statement that called Mr. Goria's actions "consistent" and demanded a "clarification" of the Tokyo accords, without which the pledges that are undertaken during the summits of the major industrialized nations would risk losing significance and credibility.

"In the absence of a clarification, it is obvious that the planned summit in Venice cannot stick to the expected form and terms," the statement said.

The quarrel began Saturday, when the Group of Five — the United States, Japan, West Germany, Britain and France — met to discuss stabilizing currency-exchange rates and coordination of economic policies.

French officials issued a formal statement denying that a G-5 meeting had been held. Instead, they said that the nations had met for bilateral talks.

But Italian officials concluded that a supposedly private dinner attended by G-5 officials was in fact a working dinner, where all important issues to be discussed at

the G-7 meeting had already been settled.

Antonio Baldini, Mr. Craxi's diplomatic adviser, said in Rome that Italy's G-7 partners had seriously violated an agreement reached at the last G-7 summit meeting in Tokyo.

At that meeting, the G-5 nations agreed to bring in Italy and Canada

'How can we have a Venice meeting when this weekend's events suggest it will serve no purpose?'

— Antonio Baldini
Italian official

da, making the G-7, whenever discussions concerned managing the international monetary system.

That agreement was viewed as an important victory for Italy and Canada, particularly Italy, which is about to surpass Britain in the size of its economy. Italy, too, has had a remarkable economic recovery while growth in other Western European nations has stagnated.

Shortly after the meetings ended Saturday night, the new Bank of France governor, Jacques de Larosière, the Treasury director, Daniel Lebegue, and Mr. Balladur visited the Italian delegation at its hotel. But they were unable to convince Mr. Goria and Carlo Ciampi, the Italian central bank governor, that

Peru Supports Brazil's Move

Agence France-Presse

LIMA — Brazil's suspension Friday of interest payments on its \$109 billion foreign debt was a "valiant decision" that vindicated Peru's own policy, President Alan García Pérez of Peru said on Saturday.

"We hope other countries will adopt the same attitude to limit their payments," he said.

Mr. García called Brazil's action "a historic endorsement" of Peru's policy of limiting its debt servicing to 10 percent of its export earnings. Brazil's moratorium showed "that we are not lunatics," he said.

Mr. García said he had felt since Friday that the "Third World debt problem had 'reached a breaking point.'

DEBT: After Brazil Suspension, Argentina Threatens to Halt Payments

(Continued from Page 1)
est of any developing nation, is an estimated \$109 billion.

At current interest rates, U.S. creditors would normally receive about \$500 million from Brazil each quarter. If the suspension of interest payments extends beyond 90 days, it would hurt banks' earnings because they would then be required by law to put aside reserves to cover overdue payments.

The bankers said they had little choice but to put up with some kind of suspension. The only long-term solution, they noted, was for them to help Brazil devise a plan for fundamental economic reform, in order to lower inflation, increase savings and cool the burst of domestic spending.

"They've got to start negotiating at once to deal with this mess," another international lender said. "Right now, they don't have an

economic package to deal with the problems."

Brazil, which has paid no principal on its commercial debt since the country's last financial storm in 1982 and 1983, appeared to have resumed its traditional fast growth in 1985 and 1986.

A healthy trade surplus more than covered annual interest payments of \$9 billion to \$11 billion. Both local officials and foreign bankers had predicted that Brazil would soon resume normal borrowing operations.

But a price freeze imposed last February increased purchasing power and stimulated an unprecedented boom in consumer spending. Consequently, exports slumped and imports rose. The country's foreign exchange reserves then tumbled, bringing on the new debt crisis.

From monthly surpluses of more

than \$1 billion in mid-1986, the merchandise trade surplus fell to just \$129 million in January this year, the lowest in four years.

Similarly, in barely 12 months, reserves dropped from \$11 billion to less than \$4 billion. Inflation has also soared again in the past three months and is now running at an annual rate of more than 700 percent.

In Friday's address, Mr. Sarney repeated a previous position that too great an effort to pay foreign debt interest would slow internal investment, reducing jobs and thus risking social unrest that could threaten the two-year-old civilian government.

"Bills that are paid in misery are paid with democracy," he said.

While the announcement seemed aimed at stirring nationalistic feelings, it was criticized by opposition leaders of the right and left.

Senator Roberto Campos, planning minister under the former military regime, lamented Brazil's unilateral move, which, he said, was the result of "management incompetence and imprudence."

Noting that world interest rates as well as Brazil's oil import bill fell last year, he added, "There was no external factor to justify Brazil's insolvency."

A prominent labor leader, Luís Inácio Lula da Silva, whose Workers Party has frequently called for a total halt to Brazil's debt payments, was also critical.

"A moratorium works when you announce it from a position of strength, when you have money and decide to invest it domestically instead of paying it abroad," he said.

"But in this case, I think the moratorium is just bankruptcy."

(NYT, Reuters)

The statement called for:

• Greater cooperation between the industrialized nations and the developing world to solve the problems of debtor nations through a worldwide economic recovery.

• Promoting more balanced global growth, with "surplus countries" committing themselves to follow policies designed to strengthen domestic demand and to reduce their external surpluses while maintaining price stability.

"Deficit countries," it said, will seek to encourage steady, low-inflation growth while reducing their external imbalances and external deficits.

PACT: Ministers, Bankers Agree to Stabilize Currencies

(Continued from Page 1)
central banks might intervene in the currency markets.

Britain's chancellor of the exchequer, Nigel Lawson, called Sunday's meeting the "direct linear descendant of the Plaza meeting."

He was referring to the meeting Sept. 22, 1985, at the Plaza Hotel in New York, where the Group of Five agreed to take coordinated steps, including central bank interventions, to lower the value of the dollar against other major currencies.

"Now," said Mr. Lawson, "we have all agreed that the time has come for a period of stabilization, and we will act accordingly."

But the U.S. Treasury secretary, James A. Baker 3d, said he "was not prepared to call the meeting 'Plaza-2,'" as Mr. Lawson suggested.

"The agreement is simply to force stabilization at current levels," Mr. Baker said.

He added that "the most difficult negotiations were on the stimulative measures to be taken by the trade-surplus countries."

Monetary experts said it was likely that some agreement on "reference ranges," designed to limit currency movements within specific boundaries, was also reached.

"That is the main question," a Chicago-based foreign exchange dealer said.

"Given the philosophy the Federal Reserve has followed over the past few years," he added, "it is very hard to imagine they have agreed to intervene in the currency markets. The meeting really didn't produce much beyond talk."

But a senior West German banker disagreed.

"The central banks wouldn't risk their credibility by not backing up a statement like this," he said. "It would make it very difficult to formulate new strategies. Without target zones, how are they going to maintain stability in the market?"

Besides emphasizing the need for more stable exchange rates, the nations also came to general agreement on the need for further coordination of economic policies.

The statement called for:

• "Further progress" has been made since the 1986 Tokyo summit to achieve "sustainable, non-inflationary expansion," although unemployment remains unacceptably high in some countries. Changes in exchange rates "will contribute importantly in the period ahead to the restoration of a more sustainable pattern of current accounts."

• Progress was noted in efforts to reduce budget deficits, introduce fundamental tax reforms and make economies more efficient. Privatization of government assets and business deregulation were other important structural reforms that were being carried forward.

• "Reduction of large, unsustainable trade imbalances is a matter of high priority," and achievement of "more balanced global growth" should be a central role in this respect.

• Participants pledged to step up efforts to resist protectionism and reaffirmed their support for the new round of trade negotiations within the General Agreement on Tariffs and Trade.

• Greater cooperation was needed between the industrialized nations and the developing world in efforts to solve the problems of debtor nations through a worldwide economic recovery.

• "Newly industrialized economies" were now playing an increasingly important role in world trade, but their recent accumulation of trade surplus had contributed importantly to the current problems of global imbalances, thus increasing protectionist pressures. The meeting agreed that these countries "should assume greater responsibility for preserving an open world trading system by reducing trade barriers and pursuing policies that allow their currencies to reflect more fully underlying economic fundamentals."

• Ministers and governors also agreed to "additional refinements" in the use of economic indicators for the multilateral surveillance arrangements approved in Tokyo last May.

ANALYSIS: The Message of G-5

(Continued from Page 1)

The next big test of the dollar, he predicted, will come when Washington reports the U.S. trade figures for January and the revised figures for December, which initially registered a sharp reduction.

"What the market needs now are facts," the bank said, "and if the figures are interpreted as being bad, then the markets will test the willingness of central banks to stabilize the rate."

He estimated that officials would tolerate a trading range for the dollar of 1.70 to 1.80 Deutsche marks and of 150 to 160 yen. The dollar closed Friday in New York at 1.8190 DM and 153.55 yen.

From its 1985 high through the end of last year, the dollar dropped 37 percent against the yen and 35 percent against the mark. This year, at its worst, the dollar shed another 6 percent against the yen and 8 percent against the mark, causing great difficulties for the export industries in those countries.

The decline ignited fears that the dollar was on a runaway downward path that would wreck exports for the Japanese and West Germans and, by increasing the cost of U.S. imports, set off a new wave of inflation in the United States.

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SPORTS

SPORTS BRIEFS

Frenchman Lowers Record for 200 Meters

LIEVIN, France (UPI) — Bruno Marie-Rose of France set a world indoor record of 20.36 seconds in the 200-meter final at the European indoor track and field championships here Sunday.

Running in the outside lane, Marie-Rose held off Vladimir Krylov of the Soviet Union to shave .16 seconds off the mark set by Italian Stefano Tili in 1985.

A Hole-in-One Gives Chen Lead in L.A. Golf

LOS ANGELES (UPI) — T.C. Chen made a hole-in-one Saturday on his way to a 4-under-par 67 that gave him a one-stroke lead after the third round of the Los Angeles Open golf tournament.

Chen, from Taiwan, stood at 204, 7-under par. Dummy Edwards was at 205, and Bobby Watkins, the first-round leader, was tied with Ben Crenshaw at 206.

Chen began the day at 5-under, a stroke behind the second-round leader, Bill Sander, who had a 66 on Friday. But Sander lost his share of the top spot with bogeys on the fifth and sixth holes, and Edwards, who had shot a 64 Friday, faltered with bogeys on Nos. 6 and 8.

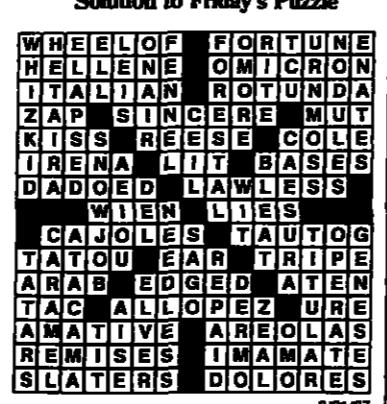
Chen used a 6-iron to ace the par-3, 161-yard (147-meter) sixth. He had two birdies and two bogies the rest of the way. He had a 67 Friday after an opening 70.

De Leon Retains WBC Cruiserweight Title

BERGAMO, Italy (Combined Dispatches) — Carlos De Leon of Puerto Rico retained his World Boxing Council cruiserweight title Saturday as Italian challenger Angelo Rotoli, bleeding from a cut above his right eye, was stopped by the ring doctor before the fifth-round bell.

De Leon, in his seventh defense, was ahead on points when the scheduled 12-rounders was halted. Rotoli's record is 23-1-2; De Leon is 41-4. (AP, UPI)

Solution to Friday's Puzzle



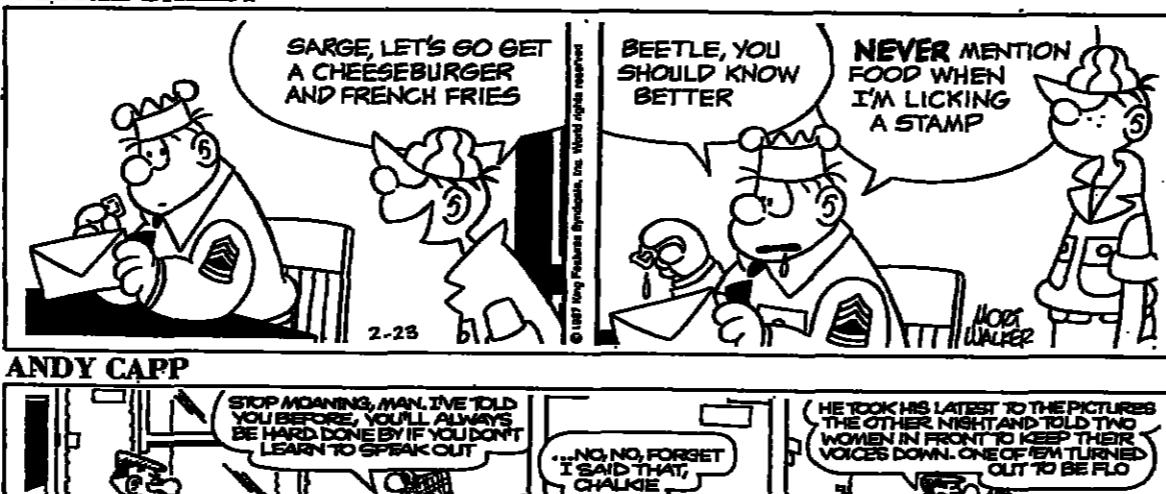
PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



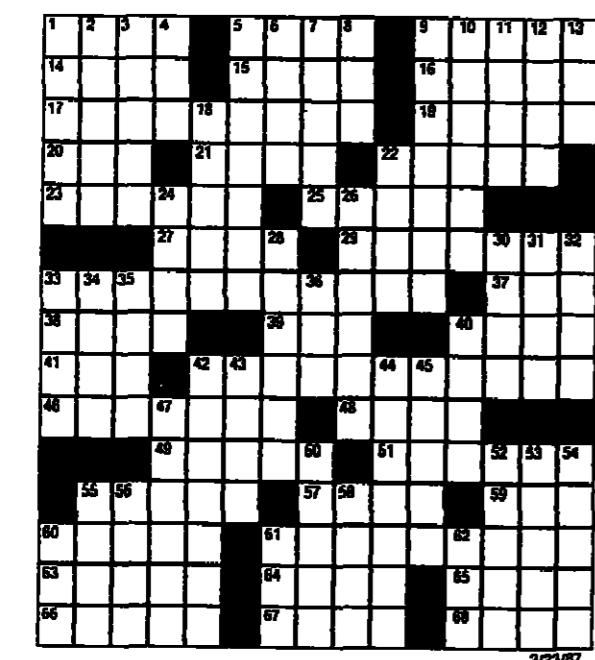
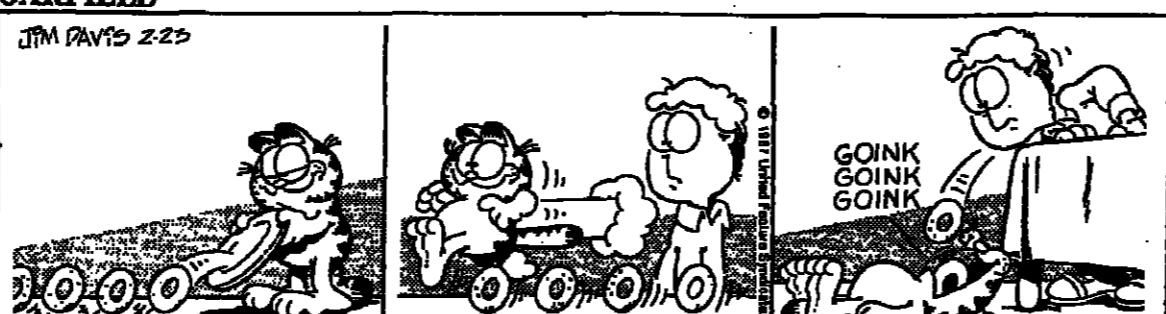
WIZARD OF ID



REX MORGAN



GARFIELD



ACROSS
1 Spanish house
5 Sphere of work
9 Cuts of lamb
14 Pindaric works
15 Starist
16 Shankar
17 Up's partner
18 Employer of
19 Trouble
20 Nouveau
21 Movie cult figure
22 Modify fittingly
23 Mitigate
25 Cavalry weapon
27 Actor Sharif
29 In the van
33 Ned Buntline hero
37 Civil War veterans
38 Director Kazan
39 Caustic
40 Speck
41 M.I.T. grad.
42 Legendary
43 Kidnap victim
46 Hobby
48 Inevitable
49 Musical composition
51 Tantalizes

DOWN
1 Yellowish red
2 Worship
3 Denominations
4 Pallor
5 Arms depot
6 Pro (in proportion)
7 Ties
8 Make public
9 Unfair treatment
10 Having entrained
11 Business org
12 Composer Well
13 Farmyard structure
18 Swelling
22 First murder
24 Coach's cousin
26 Outlanders
28 Used wheels
30 Stravinsky
31 Former Haig command
32 Grizzled
33 Alert electronically
34 Larger forearm bone
35 Fruit trees
36 By the (incidentally)
40 Newsstory
42 Batters like Bogs
43 Kin of ostriches
44 Wall sockets
45 Rids of
47 Verb forms
50 Escape by trickery
52 Inclined (to)
53 Babe
54 Meaning structure
55 Letup
58 Surrounded by
60 Collar
61 Sound harshly
62 One better

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DENNIS THE MENACE



* WASHINGTON AND LINCOLN WERE LUCKY TO HAVE THEIR BIRTHDAYS ON HOLIDAYS! *

JUMBLE.

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NYWEL

ASTEE

RALOF

ENTAIN

Answer here: A - - -

(Answers tomorrow)

Friday's Jumble: FIFTY RIGOR MYRIAD INLAND

Answer: Somebody who calls a spade a spade might want to give this a DIRTY DING!

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A - - -

(Answers tomorrow)

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Perlman: a Virtuoso Improvising in Kitchen



Itzhak Perlman in culinary action, making meat loaf: "Basically, fine cooking has a lot to do with chemistry."

By John Rockwell
New York Times Service

NEW YORK — "I care about food" — the violinist Itzhak Perlman paused to ponder the most just — "in an intense way." As he spoke his ebullient wife of 20 years, Toby, was circling her, index finger near her head. "Sick!" she whispered sotto voce. "III!"

An enormously successful virtuoso, the 41-year-old Perlman is on tour as much as he wants to be. And while he remains the devoted family man, keeping in touch by telephone with Toby and their five children (3 to 18 years old), he has also been forced to become a restaurant connoisseur. But when he is home, as he was the other day, he cooks both for pleasure and for utility — to make things like

Perlman's love of food is apparent in a television commercial he made for Sara Lee croissants that is receiving considerable air time. In it, he cheerfully evinces an enthusiasm for eating that far transcends the dish.

The other day seemed a typical one at the Perlmans' 11-room apartment on Manhattan's Upper West Side — even typical in that the family was flying off in all directions the very next day, with Perlman to Puerto Rico to perform, Mrs. Perlman somewhere else and 16-year-old Navah (whom the Perlmans describe as the only serious musician among the children, so far at least) gearing up for a

performance of Beethoven's Third Piano Concerto.

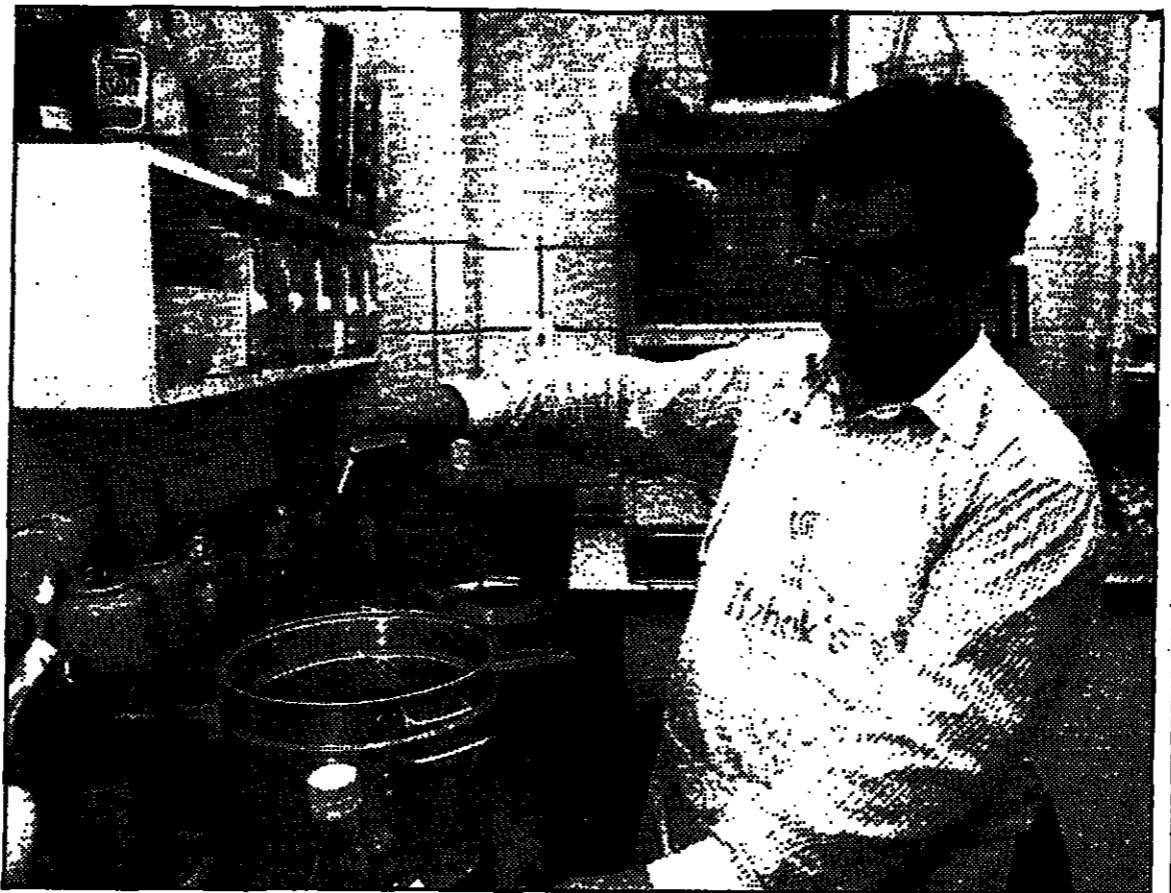
In the kitchen, 3-year-old Ariella amused herself by tossing slices of zucchini as her parents bustled about. Perlman was wearing an apron that said "Eat at Itzhak's"; his wife's read "Second Fiddle." Both were gifts from a friend in Florida and hers, apart from whatever metaphorical truth it may contain, happens to be true: Toby Perlman was a violin student at the Juilliard School when she met her husband-to-be.

"You know what I started in this whole cooking business?" asked Perlman rhetorically. "You wouldn't believe it. I started 20 years ago because I believed I was getting overweight. I didn't want to eat all that stuff I was eating. I said, 'You know, I can cook for myself.' The first time I boiled a chicken and cooked it with V-8 juice. It was quite tasty."

A few years later Perlman, who was born in Israel but has lived in New York since his mid-teens, took lessons with Virginia Lee, the late doyenne of Chinese cooking instruction in New York. Since then, he has pretty much done it on his own, experimenting and branching out to all kinds of national cuisines.

"Basically, he's just a good cook," Toby Perlman volunteered. "That means anything he touches turns out well. He makes you a sandwich, it's delicious."

Classical music is essentially a notated art these days: Performers such as Perl-



man may interpret what is in the score, but they stick to the composer's notes. As a cook, however, Perlman loves to improvise.

"I make do with whatever's in the refrigerator," he said. He added that he and his wife get their food primarily from "excellent" neighborhood supermarkets rather than ethnic specialty stores.

"I love to reproduce meals I've had in restaurants without learning the recipe," he said as he busied himself with a luscious dish of capellini with tomatoes and zucchini.

The Perlmans' Manhattan kitchen — there is also a new country home — is fairly large and does not seem to have been modified to accommodate the violinist. Perlman, who had polio as a child, moves about the house in an electric cart, comes onstage on crutches and plays while seated. Long a spokesman for the rights of the disabled and an advocate of architectural designs to ease access for the handicapped, he seems to make do happily in this kitchen without crutches

or cart, pivoting from counter to counter.

After lunch, Perlman turned his attention to a meat loaf he intended to leave for the children while the parents were away.

"The important thing about this is to sauté the onions and then the garlic before you put them into the meat," he said. "That way the meat is already flavored when it goes into the oven. The other thing is to put a cup or two of boiling water into the meat as you knead it; if makes it easier to mix. And basically, the more bread crumbs you use, the better it tastes — more fluffy."

As a restaurant client, Perlman will eat anything. ("He just knows what to order," his wife remarked.) His current enthusiasm is for sushi.

"I don't eat alone in restaurants anymore," he went on. "Too many people want to talk. If I'm in a city where I don't know many people, I just go back to the hotel room and turn on the TV and fall asleep without ordering anything from room service."

"With Chinese food, you need more people," he said. "You need variety; it's not food for when you're alone. I don't know what it is about musicians and food, but all my colleagues seem to love good food. We tell each other about restaurants we've found. Maybe it's the excitement you feel after a performance. If the music has been really good, you say, 'Let's go eat something good.'"

In his cooking, at least, Perlman tries to avoid practice. "That's why I started Chinese cooking — it was instant gratification," he explained. "I have no patience. I don't bake, either — I want to have something right away. With baking you have to prepare things in advance."

Like any instinctive cook Perlman seems to derive his greatest pleasure not from dutifully following a recipe, but from the sense of freedom as he creates new combinations.

"I think, basically, really fine cooking has a lot to do with chemistry," he remarked. "Whatever you do causes a reaction."

LANGUAGE

A Notational Doozie

By William Safire
WASHINGTON — "I'm not known to make many mistakes," said Senator Lloyd Bentsen modestly, in extricating himself from a fund-raising furore, "but when I do, it's a doozie."

This is a botched use of a statement by Fiorello H. La Guardia, the New York mayor: "When I make a mistake, it's a blemish." The Little Flower's confession became one of the great observations in political wisdom, comparable to Woodrow Wilson's suggestion that an opponent in difficulty should not be attacked, expressed as "Never murder a man who is committing suicide."

Doozie is early 1930s slang, occa-

sionally used by senior statesmen, and has a nice art-deco connotation; *dopey doozie* was used by President Ronald Reagan jocularly to mean "desperation" from the same era. The definition of *doozie* is usually "something outstanding or excellent," but the slang word adds zest and enthusiastic emphasis; a second meaning has emerged of "typical."

"A notional task force," says Trainor, "is a hypothetical one — containing so many ships, so many planes, so many troops. It exists only on paper." Some strategists use it as a highfalutin word for "typical."

What about the noun *timeline*?

Only the Oxford English Dictionary (as well as its Supplement) carries the term, which was used by the psychologist William James in 1890 to mean a line of "which each undulation or link stands for a certain fraction of a second." The OED Supplement's most recent sense of *timeline* is "a schedule, a deadline."

Trainor heard about the military use of *timeline*, too: It is a series of events in sequence, some of which may overlap, within a general time-frame. For example (mine, not his), in a timeframe of a month, you could have a timeline consisting of one day's bombardment of a target area, a two-day invasion, a week's resupply to secure the area and three weeks of visits by selected correspondents to designated areas for reporting on the victory.

Thus, a *notional timeline* can be a hypothetical series of events, or an imagined sequence, or a reconstruction for illustrative purposes of what could take place over a given period.

I tried this on a White House aide familiar with the most arcane geo-strategic jargon. Did the expression *notional timeline* mean anything in his world?

The ultra-insider responded immediately: "You mean 'Olive's cockamamie chronology'?" He's my candidate for the next notional security adviser.

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